

Governor's Task Force on Educational Excellence

June 30, 2004

Governor Jim Doyle
115 East State Capitol
Madison, WI 53702

Dear Governor Doyle:

High quality education is, and will continue to be, vital to every aspect of Wisconsin economic, political and personal life. In furtherance of that cause, I am pleased to transmit the Final Report of the Task Force on Educational Excellence that you created in late August 2003. At the heart of the Report are 40 carefully crafted, consensus recommendations. Each specific recommendation relates to at least one of the subject categories identified for action in your charge to the Task Force: Academic Achievement; Teacher Recruitment and Retention; Early Childhood Education; Special Education; and School Finance.

Equally important, from the outset of our work, we were also mindful of the Wisconsin Supreme Court's decision in *Vincent v. Voight*, including its holding that "Wisconsin students have a fundamental right to an equal opportunity for a sound basic education. . . one that will equip students for their roles as citizens and enable them to succeed economically and personally."

Our non-partisan citizen panel of 28 individuals from all walks of life and diverse areas of the state, both as a committee of the whole and in four separate subcommittees, received and considered extensive facts and opinions about Wisconsin PK-12 education from the following sources:

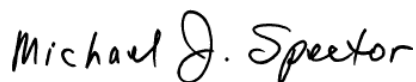
- Citizen comments at listening sessions in Hayward, Madison, Milwaukee and Wausau;
- Policymakers and education experts, including legislators, professors, and school district and teacher union officials;
- The authors of four different school finance plans;
- Our outstanding Task Force staff, especially regarding school finance matters;
- State Superintendent Elizabeth Burmaster and her highly professional personnel, with respect to both instructional and finance topics; and
- Volumes of citizen letters and web-based testimony.

Between October 1, 2003 and June 22, 2004, each Task Force and staff member devoted substantial time to what evolved into the report. I cannot over emphasize the value of that time, and its accompanying openmindedness, teamwork and perseverance.

We have sought innovative, research-based and fiscally responsible solutions to specific challenges faced by what continues to be one of America's finest PK-12 state education systems. We believe our recommendations merit serious consideration, but we have no undue pride of authorship. Our overriding passion is to advance Wisconsin PK-12 education to ever higher ground. We will find victory in any solution(s)—ours or those devised by others—that make that passion a reality.

Thank you for giving us the opportunity to serve.

Sincerely,



Michael J. Spector, Chair

Governor's Task Force on Educational Excellence

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Governor’s Task Force on Educational Excellence

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Introduction

An Agenda for Educational Excellence

Wisconsin public schools are at a crossroads. Throughout its history, Wisconsin has been a national leader in education. Starting with its role in promoting public kindergarten more than 130 years ago and continuing through the present when it consistently ranks first in college entrance exam scores, Wisconsin has been synonymous with quality public schools. Businesses come to Wisconsin because they can benefit from a well-educated workforce and their employees can enjoy a quality public school system. Parents decide to raise their families in the state because they know the school down the street can compete with virtually any in the rest of the country.

Throughout its work, the Task Force has been impressed by the quality of Wisconsin public schools – including their teachers, administrators, and the variety and excellence of the educational opportunities they offer. The citizens of the state who provide the financial resources to fund schools should be proud of their investment and commended on their commitment to our children. However, the Task Force believes that simply maintaining the quality of the current system will not be adequate to address the challenges the state will face in the 21st Century. Wisconsin is changing and so must its public schools.

The knowledge and skills current students will need to be successful bear little relation to what was needed in the past. While the grandparents of today's students could often achieve a middle class income with only a high school education, those days are long gone. For Wisconsin and its citizens to prosper in a global economy, our schools must not only produce students who graduate from high school, but are prepared to excel in post secondary education, whether it be a technical college or a university.

The faces of the students are also changing. Wisconsin public schools are becoming more diverse—racially, ethnically, and economically. Two decades ago, only one in ten students was a minority; now, almost one in four is. As our students become more diverse, we must be vigilant that our schools promote opportunity by giving all our children an equal footing so everyone has a chance to succeed. Educating children with special needs has become an increasingly expensive responsibility of our schools and too often the current financing system has pitted their needs against those of other students.

The demographics of the state are changing in other ways that will have significant repercussions on our public school system. Declining numbers of children of school age, especially in many of our rural areas, will force school districts to adopt new ways of providing quality education, often with fewer financial resources. The aging of the state's population, combined with the fast growth in residential property values, means citizens are paying ever-increasing amounts to support public schools, even though fewer have children attending them.

When the Task Force was first appointed, many members of the public believed that the group's sole mission was to review our current school funding system and recommend a new formula for financing schools. But addressing revenue and finance was only one aspect of our charge. As suggested by the Task Force's name, our primary goal was to find ways to foster educational

excellence. The following areas of concern, and the recommendations that accompany them, represent our best efforts to address the 21st Century challenges facing Wisconsin's public schools. They are priorities and proposals that reflect months of public input and study, and the consensus conclusions of 28 diverse Task Force members representing the wide variety of Wisconsin citizens who care about education.

Throughout our deliberations, the Task Force recognized that the state is in the midst of its toughest financial challenge in recent history and the near future will likely offer, at best, only modest improvements in its fiscal condition. As the proposal on property taxes demonstrates, the Task Force is very attuned to the opinions of taxpayers who feel that they are at their limit for funding government programs, even for the most worthwhile activities such as public schools. Consequently, the Task Force did not advocate for a large increase in overall education spending to pay for a Cadillac-style plan for funding public schools. Instead, aware that Wisconsin already ranks in the top ten nationally in education spending, the Task Force limits new spending proposals to specific programs that have track records of success or are very closely tailored to addressing urgent problems.

Undoubtedly, some critics will simply total up the sum of all the range of proposals offered in the report and declare it too expensive. However, that would be as simple-minded as adding up the cost of all the menu items at a fast food restaurant and declaring it too pricey. The recommendations are a list of options for the Governor, the State Superintendent of Public Instruction and the Legislature to consider. It is our hope that the report serves as an agenda of priorities as state government begins to craft its next budget.

Academic Achievement

The achievement gap related to economic disadvantage, race, and ethnicity is one of the key problems facing education in Wisconsin. While Wisconsin's overall high school graduation rate is high, the gap between white students who graduate (87%) and African-American students (44%) was the largest among the 33 states studied in 2001. For Hispanic students (55%) Wisconsin had the 3rd largest gap among the 23 states reporting data. Significant achievement gaps also exist between these groups on the 4th and 8th grade reading and math tests administered as part of the federal National Assessment of Educational Progress (NAEP) program. The disparities are also evident by economic status. In schools where fewer than one quarter of the students live in poverty, 94% of the students graduate from high school. However, in those where more than half the students come from impoverished homes, only 72% graduate. Similarly, 87% of the students in low poverty schools score proficient in reading compared to 68% in high poverty schools.

The Task Force concludes that the current school finance system has not maintained adequate state support to provide needed services to economically disadvantaged, minority and non-native English speaking students. As a state, we cannot be satisfied with the quality of our public schools until gaps in achievement are solely the result of effort and ability, and not linked to race, economic status or ethnicity.

Many of the Task Force's recommendations are focused, in one way or another, on the paramount goal of reducing, and, ultimately, eliminating the achievement gap that exists between economically disadvantaged children, children of color, and their peers. Early childhood education is one of the best investments we can make to reduce the achievement gap before it grows. Efforts to attract and retain high quality teachers, improve the diversity of the teaching workforce, and link our best teachers to the most challenging educational environments, are other steps to improve the classroom environment and create better outcomes for our children. In

addition to these measures, the Task Force recommends improving the successful Student Achievement Guarantee in Education (SAGE) small class size program for kindergarten through 3rd grade by increasing the current reimbursement rate and allowing additional schools to participate. The per pupil support for the program has been held constant over the years, even as costs have been climbing, and too many districts must choose between eliminating the effective SAGE program or cutting back on other crucial educational offerings.

Another key component in addressing disparities in academic achievement is adequate funding for bilingual and bicultural programs. While Wisconsin's population of school age English language learners has tripled from 1.3% of total state enrollment in 1989-90 to 3.9% in 2002-2003, bilingual-bicultural categorical aid has not been increased since the early 1990's. The Task Force proposes significantly increasing the bilingual-bicultural education categorical aid appropriation to guarantee that these children have the opportunity to achieve the same level of academic excellence as native English speakers. They, like economically disadvantaged children and children with disabilities, were also specifically identified for consideration in *Vincent v. Voight*, the 2000 state Supreme Court decision which upheld the constitutionality of the current school finance system. In addition, the Task Force recommends providing additional funds on a per pupil basis to school districts that do not meet the enrollment thresholds to be required to offer bilingual-bicultural education programs, but have bilingual-needs children who should be served.

The Task Force also recommends exploring a number of innovative solutions to bolster academic performance in areas where results lag. For example, the Task Force suggests that a 10-school pilot study be conducted in high poverty areas to determine whether an extended school year would result in improved educational outcomes. The Task Force also advocates exploring the concept of establishing a residential school for children from homeless families.

To address the critical issue of truancy, the Task Force favors a study of the consequences of using average daily attendance for all 180 school days as a basis for state aid. Currently, aid is determined by the count of the number of students attending school on the third Friday in September and second Friday in January. This would provide an incentive for districts and individual schools to focus their attention on boosting attendance every day of the school year (not just on two specific days a year) and decreasing truancy. It does little good to make the investments in quality teachers and focus on improving educational programming if the students do not even bother to show up for class. The Task Force recognizes that it is the responsibility of families to make sure their children get to school, but when they do not, taxpayers often are forced to foot the bill through higher social welfare and corrections costs.

The Task Force also believes that another crucial step in reducing the achievement gap is to create a positive educational climate, among both teachers and students, that respects the diversity of the students. Such an environment should foster high expectations for each and every student. Only by challenging every student, and expecting them to succeed, can we begin to reduce disparities in academic performance.

While we, as a state, must do more to insure an equal opportunity for success for all of Wisconsin's children, we cannot ignore the responsibilities of parents. There is a strong need for parents and other significant adults in children's lives to be an integral part of the educational process. The best teaching will have little effect if there are not adults outside of school who guarantee that students are actively engaged in the learning process. One of the most consistent findings in educational research over the past 40 years is that parental involvement in education is the single most significant determinant of student academic success. Just as doctors depend on

patients to follow their treatment plans, teachers depend on students' families to make sure their children do homework, study and come to school ready to learn. The availability of well-structured before- and after-school programs, integrated with the school's curriculum, can help, but without family support, the success rate declines. The Task Force recommends additional investments in before- and after-school programming and parent education efforts. Reflecting our limited resources, the Task Force suggests that these efforts be targeted to the lowest-income schools and areas in the state.

Attracting and Retaining Quality Teachers

If this Task Force could achieve one goal, it would be to improve the chances that every Wisconsin student has a quality teacher. Decades of academic studies confirm what we learn first as students, and then again as parents: nothing matters more to children's education than the quality of their teachers. We can build state-of-the-art classrooms, equip them with modern computers, buy the best textbooks, and hire the best administrators, but unless there is a quality teacher leading the class, we have failed our children.

Fortunately, most students in Wisconsin are blessed with quality teachers dedicated to educating the next generation. Yet, we cannot be satisfied with our overall quality, when we know attracting and retaining quality teachers to some of our toughest assignments—from our most challenging inner city schools to our smallest rural classrooms, from science and math teachers to special education and ELL instructors—lags behind our goals. Nor can we ignore the troubling signs of increasing retirements and mid-career teachers abandoning the profession that will force our schools to replace far too many teachers. Finally, as Wisconsin's public school students have become much more diverse in recent years, the diversity of the teaching profession has not kept pace.

As the faces of our students are changing, so must those of our teachers. Not only should they reflect the diversity of 21st Century Wisconsin, but they also must have the skills and knowledge to prepare our students for the jobs of tomorrow. We cannot expect that a pay system rooted in the past is the best way to attract and retain the best teachers of the future.

The Task Force strongly believes that a necessary first step to insure Wisconsin's students of tomorrow have the teachers they need is to end the qualified economic offer (QEO). The QEO authorizes school boards to limit the combined increase in teacher salary and fringe benefits to 3.8% annually, while requiring school boards to give first priority to funding the existing fringe benefit package. The reasons for the repeal of the QEO are many, but the Task Force focused on three.

First, is the simple reason of fairness. No other group of employees, public or private, is singled out and treated the way that educators are under the QEO. The Task Force heard repeatedly that the QEO has a significant adverse effect on the morale of teachers, discouraging many about a career they once viewed as a calling.

The second main problem with the QEO is that it has all but eliminated the ability of districts to negotiate compensation systems that reward teacher effectiveness rather than longevity and continuing education. For the vast majority of Wisconsin school districts, the current standard salary schedule typically pays teachers solely based on the number of credits they have earned (regardless of whether they are relevant to the teaching subject) and the number of years they have been a teacher. The Task Force recommends this system be replaced with one that rewards the acquisition of knowledge and teaching skills that directly relate to improved academic performance. This proposal represents a dramatic departure from the status quo, but one that is

needed both to improve student performance and to attract and retain the quality teachers Wisconsin will need in the 21st Century. In addition, the Task Force recommends incentives for districts that implement compensation systems which reward teachers who acquire skills and knowledge that can be linked to improved student achievement. The Task Force believes that the Department of Public Instruction's revised licensing standards (PI 34) can be an important component of a new system that will reward Wisconsin's best teachers.

Additional accountability will lead to greater public willingness to invest in quality teachers, and additional compensation will create incentives for teachers to go above and beyond their minimum requirements to search for more innovative ways to improve student achievement. Higher compensation for our best teachers will act as an incentive for them to remain in the profession. We should not lose our best teachers because they believe their quality is not valued.

The third major problem with the QEO is that the system discourages innovative efforts to control health care costs. Since districts that wish to impose the QEO must maintain the existing benefit package, the likelihood of negotiation on health care benefits is diminished. Teachers have little reason to bargain health care benefits, as their salaries have been artificially constrained for over ten years. The end result of the QEO has been to limit salary increases while the cost of fringe benefits, especially for health care, increase at a faster rate. Since the QEO began in 1993-94, the state's ranking on average teacher salary has dropped from 14th to 24th in the nation. Data on fringe benefits, however, shows that Wisconsin has consistently ranked 3rd or 4th over the same period. According to data reported by the Wisconsin Association of School Boards, between 1984-85 and 2002-03, health insurance costs for family coverage increased from less than 14% of a beginning teacher's salary to over 45%.

The Task Force believes that salaries for teachers must become more competitive with our neighboring states if Wisconsin is going to attract and retain the best teachers, and particularly encourage talented students to enter the profession. At the same time, the Task Force is very concerned with the increasing costs of health care and its effect on the ability of school districts to maintain quality educational offerings. The Task Force recommends that, in the absence of the QEO, teachers and school districts be strongly encouraged through the collective bargaining process to search for more innovative solutions to this problem. The Task Force recognizes that the rising costs of health care are a national issue affecting far more than just Wisconsin teachers, but we also believe some savings may be possible without sacrificing the fundamental quality of coverage. However, any changes should be accomplished through the collective bargaining process and not unilaterally imposed on teachers.

The Task Force considered seriously the concerns that the QEO should not be repealed while maintaining revenue caps. We believe, however, that current arbitration criteria, which require that the greatest weight be given to revenue caps, and greater weight be given to local economic conditions, address these concerns. These criteria were implemented with the inception of revenue caps in 1993-94, and have remained virtually untested, as arbitrations have all but ceased since the onset of the QEO. As arbitrations become more common in the absence of the QEO, the Task Force, including current and former school board members, believes these criteria are critical components that will help to insure that salary increases do not exceed a district's ability to pay. In addition, as the example of health care costs demonstrates, the QEO effectively limited growth in salaries, but it has been much less effective in controlling overall compensation costs.

As important as repealing the QEO is, there are several other steps needed to help Wisconsin schools attract and retain the best teachers. The problem of attracting more teachers of color to better reflect the growing diversity of Wisconsin students is one of the most vexing problems the

Task Force encountered. The challenge is much more complex than convincing more college graduates of color to become teachers. For example, even if every African-American University of Wisconsin graduate in the past decade decided to go into teaching, there would still be a lower proportion of African-American teachers than African-American students. The Task Force advanced some specific ideas to address this disparity, but a larger commitment must be undertaken to improve the high school graduation rate of students of color; increase the likelihood of them attending college; and help diminish the significant difference in college graduation rates for students of color.

The Task Force also believes that a central priority should be matching some of our best teachers with the toughest challenges. Too often the students in our poorest achieving schools end up with our most inexperienced or less effective teachers, making their chances of success even lower. The Task Force proposes a variety of innovative ideas to create incentives for teachers to undertake these most difficult assignments.

Early Childhood Education

The Task Force believes that early childhood education is one of the best, most cost effective investments the state can make. Research convincingly demonstrates the many long-term benefits of high quality early childhood education. Children who participate in early education programs demonstrate higher academic outcomes and are more likely to graduate from high school. They are less likely to need special education services, and are less likely to become involved with the criminal justice system. The benefits of early childhood education are particularly true for children from low-income families where parents, often single parents, do not have the time or the resources to provide adequate learning environments for their children at home or to afford high quality day care. Research shows that the achievement gap between economically disadvantaged children, children of color and their peers exists before children even enter school, but that early childhood education programs help to reduce this gap.

Measures to improve the quality of, and expand access to, early childhood education are smart, proven investments that will yield significant taxpayer and societal benefits in the future. The return to taxpayers for each dollar invested in early education in the form of lower social welfare and criminal justice costs and higher future tax revenues would rival the investment successes of Wall Street wizards like Warren Buffett.

While Wisconsin ranks high nationally in the percent of children enrolled in public school administered 4 year-old kindergarten programs (4K), nearly four out of five 4 year-olds still do not participate. Statewide, less than 45% of school districts offer 4K programs, and only 23% of 4 year-olds are enrolled. Wisconsin must do more to improve the quality of programming offered to our youngest citizens, especially for economically disadvantaged children, including improving the quality of teachers, programming, and services offered to these students. The Task Force believes that Wisconsin must build off the strengths of its existing early care and education system in order to ensure universal access to early care and education services.

For more than 130 years, since the introduction of the first public kindergarten in the state, serving both 4 and 5 year-olds, Wisconsin has been a national leader in early childhood education. While the Task Force believes we should be proud of our tradition, maintaining our history of excellence in public schools will require leading the nation again in early childhood education. As other states move towards full-day 5 year-old kindergarten (something 90% of Wisconsin children already benefit from) or explore starting 4K programs, Wisconsin must greatly expand access to 4K programs so that parents all across the state will have the opportunity to choose whether their child would benefit from 4K. Although Wisconsin still ranks high

nationally in early education, other states like Georgia, which offers pre-school programs to all 4 year-olds, and Oklahoma, which enrolls 65% of their children in 4K, have moved to the forefront in access to early education.

The Task Force recognizes that there are serious obstacles to overcome to insure that Wisconsin can regain its leadership role. First, there must be a solid commitment to supporting 4K programs. Legislative opposition over the past several years has created uncertainty about the future of the program and has discouraged new districts from making the expenditures necessary to start a program. Second, the current school financing formula disadvantages school districts that are trying to implement new 4K programs because it forces the districts to bear most of the cost of the program in the initial years, an especially difficult situation with revenue caps. Third, if school districts fail to work in partnership with local Head Start and child care providers, divisive conflicts may undermine public support for 4K programs and great opportunities for curriculum coordination are missed.

The Task Force recommends improving on Wisconsin's already sound base by funding start-up grants to help districts afford to begin 4K programs. Further, the Task Force recommends rewarding districts that adopt community approaches to integrate child care providers with the 4K programs. La Crosse, Wausau, Sheboygan, and many other districts around the state have become national models for creating universal care options for 4 year-old children in their districts, and the Task Force encourages other districts that follow their success.

Expanding access to 4K programs is a vital step to improve early childhood education in the state, but it is not the only needed change. One great advantage of 4K programs is that they guarantee children will benefit from a teacher with a bachelor's degree. Research shows that children taught by an early childhood teacher with a bachelor's degree have higher educational outcomes. Outside 4K classrooms, about three-quarters of the people who work with young children have less than a 2-year technical college degree. To improve the quality of Wisconsin's system of early childhood education and care, the Task Force recommends additional investments in the successful Teacher Education and Compensation Helps (TEACH) and Rewarding Education with Wages and Respect for Dedication (REWARD) programs to attract and retain highly qualified child care teachers. These programs help child care workers add to their educational backgrounds, providing them with the skills needed to promote improved childhood development, and then giving them incentives to remain in the profession.

To insure that children receive high quality child care prior to entering 4K programs it is necessary to maintain the state's commitment to providing full funding for the Wisconsin Shares program that provides child care subsidies to low income families. Promoting high quality care for the nearly 50,000 low income children who participate in this program is a vital step in making sure they are ready for success once they enter the public school system.

Special Education

Over the past decade state aidable special education costs have increased by more than \$350 million, but the state categorical aid for special education has only increased by \$40 million. Since state and federal law requires that special education services be maintained, school districts have been forced to find necessary additional funds often at the expense of other educational offerings because of the constraints of revenue caps. Too often this creates a situation that pits the interests of children with disabilities, especially those who need high cost services, against the educational needs of the rest of the student body. The revenue cap system is based on the premise that different districts have comparable per pupil spending needs that can be met by

standard increases in spending. However, districts with disproportionate numbers of special education students face increased cost pressures, with little prospect of increased categorical aid.

In response to these needs, the Task Force recommends creating a new categorical aid program to reimburse costs incurred for high-need, low-incidence special education students. These children require more services, which may be very costly for a district to fund. These costs are particularly difficult for a small school district or one whose commitment to high quality special education programs attract families with high need students. Further, the Task Force recommends significantly increasing the special education categorical aid appropriation to meet more adequately the educational needs of children with disabilities, a group that was specifically identified in *Vincent v. Voight*.

The Task Force also concludes that investments in early education programs, including 4K and quality child care, can lead to reduced special education costs later in school. For example, the Wausau school district experienced a 25% reduction in the number of children identified with learning disabilities at the elementary level over a five-year period after their investment in 4K and other early intervention programs. Their success should be a model for the rest of the state that wise early investments can pay big dividends both for children and balance sheets.

Reforming School Finance

Reviewing the current school finance system was a core focus of the Task Force's work. Crafting a statewide formula that promotes educational excellence while fairly dealing with the diverse needs of the state's 426 school districts and their students is a Herculean undertaking. The Task Force carefully considered alternative school finance plans and studied the experiences of other states. The Task Force also devoted considerable attention to isolating specific problems with the current system and exploring possible modifications that would ameliorate them.

Even though the current school finance formula is complicated in its application, the system is founded on the simple premise that every child, regardless of whether he or she lives in Kenosha or Superior, Elmbrook or Eau Claire, should have roughly equal property tax effort supporting their education. More state aid is directed to those students in the most impoverished districts, and less aid is allocated to the areas where property wealth is the greatest. Wisconsin's equalization system meets equity goals to the extent that 75% of the state's school districts spend between \$7,000 and \$9,000 per pupil for instructional and administrative costs. Except at the very extremes of property wealth, the level of spending per pupil is not dependent on the property wealth of the community. Indeed, despite the many critics of the current system, numerous other states are now involved in litigation and revising their funding formulas with the goal of achieving the type of equalization that Wisconsin already achieves.

In a time of limited state financial resources when there is unlikely to be significant additional revenue for public schools, major changes in the current school finance system would inevitably create winners and losers. Instead of bringing people together to work to improve public schools, such efforts would likely divide the state, depending on whether computer spreadsheets showed a district gained or lost under a new proposed formula. Consequently, the Task Force concluded that it would be wiser to build off the successes of the current formula and repair some of the weaknesses, rather than to start over with a completely different approach.

The Task Force heard detailed complaints about how the current system fails to serve the needs of a variety of types of districts, including those experiencing declining enrollment and small rural districts. Instead of re-writing the entire formula, the Task Force addresses these issues with targeted recommendations designed to deal with the problems these districts face.

The Task Force believes that some of the major problems with the current system are the result of the failure of separate categorical programs to provide adequate support to school districts facing higher than average costs in specific areas (for example, more children living in poverty, children with disabilities, English language learners, or high transportation expenditures). Since school districts do not receive sufficient categorical aid, they must pay for these expenditures within the constraints of revenue caps. For districts that face numerous cost pressures in these areas, the revenue caps, which allow only a fixed dollar amount increase per pupil regardless of any variation in their educational needs, are insensitive to their greater per pupil costs.

The Task Force's recommendations to commit additional resources to fund categorical aid programs for special education, bilingual education, programs for high poverty students, and transportation would lessen the competition for scarce dollars under the revenue caps. Since categorical aids are outside of the revenue caps, these additional resources will help address the problem of the higher costs faced by districts with disproportionate numbers of special needs, economically disadvantaged, or bilingual students, or with higher transportation costs. By increasing categorical aids, instead of merely raising the revenue cap levels, there is more accountability that the funds will be appropriately spent on the specific problems that need addressing.

Since the Task Force firmly believes in local control, it grappled with the effects that revenue caps are having on districts. The Task Force concludes that to remove them would only heighten the friction between the public schools and the property tax payers. Given the current level of state commitment (65% of state-local education costs), and in light of the Task Force's recommendation that school property taxes be reduced by over 40% through additional state aid, the Task Force did not recommend the repeal of revenue caps. With the state providing such a large share of education dollars, it is viewed as necessary that spending does not rise in an uncontrolled manner to draw even more state support. In addition, the goal of lowering property taxes by replacing property tax dollars with sales tax revenue would be diminished if districts could raise their levies without limit.

However, the Task Force did identify key aspects of the revenue cap formula that need adjusting to deal with low revenue schools and declining enrollment. The Task Force also recommends changing the provision of the current revenue caps that actually encourages school districts to levy to their maximum rate for fear that they would lose that levy ability in future years.

Establishing Wisconsin's Foundation Level

The Task Force reviewed possible alternative school financing systems, including a foundation plan that is based on the premise that the state's role is to guarantee a minimum level of funding for each student. One attractive feature of the foundation plan is the idea that spending in each district could be, at a minimum, at a level deemed necessary to provide an adequate education. That admirable goal was weighed against two key benefits of the current system: the confidence in local control, and the relative success of the current formula in promoting equalization.

One area where the goal of guaranteeing an adequate level of funding for each student might have its biggest impact is in some of Wisconsin's lowest spending districts. With current revenue caps, a district's spending level is based on the decisions of school boards more than a decade ago and then adjusted annually from that base. The lowest spending districts are governed by "the low revenue ceiling," an arbitrary number modified with little attention to its adequacy since its creation over a decade ago.

The Task Force recommends that a professional “cost out” study be conducted to determine what an adequate level of spending is for an average child in Wisconsin. The study should take into account the additional costs associated with educating economically disadvantaged students, special needs students and students with limited English skills. The cost out should seek input, not only from the academic community, but also from parents, teachers, administrators and the business community. The cost out study should be a way to build a statewide consensus on what we, as a state, believe constitutes an adequate education.

The result could then be used to set the low revenue ceiling at a more meaningful number. This revised ceiling would, in effect, be a voluntary “foundation” funding level for Wisconsin school children, so much so that the Task Force recommends renaming the low revenue ceiling the “foundation level.” This voluntary measure will insure that in the lowest spending districts, school boards will have the opportunity to increase their spending to the amount deemed to be adequate to guarantee a sound, basic education for every child. The goal of this change is simple: under the new plan every local school district will be allowed to invest in their students’ education the amount that provides them with an adequate education, regardless of arbitrary formulas. The change will incorporate some of the positive features of the foundation plan, while still maintaining Wisconsin’s tradition of local control so that communities can make decisions for themselves whether they can provide their children a quality education at a lower cost.

Declining Enrollment

Declining enrollment is one of the most fundamental issues now facing schools in our state. Demographic projections indicate that it will become even more significant over the next ten years as our statewide school-age population is projected to continue to decline. Nearly 60% of school districts are currently experiencing declining enrollments. According to Wisconsin census projections, only eight counties will experience growth in the number of school-age children from 2000 to 2015. In contrast, nineteen counties are expected to experience declines of greater than 20% in their school-age population.

Under the existing school finance system, as districts’ student populations decrease, both their revenue cap limits and level of state support decline. Unfortunately, the formula is largely based on the unrealistic assumption that costs decline in a linear fashion. However, declining from 25 to 20 students in a class usually does not result in a 20% cost savings as those 20 students still need a teacher and a classroom, and instead the cost savings are only at the margin.

The Task Force concludes that revenue controls, as currently constructed, are having a particularly detrimental effect on these districts, and has recommended additional revenue cap relief for them. This decline is occurring, and will continue, all over the state and in urban, suburban and rural districts (both large and small), but it is most common in the small rural districts in northern and southwestern Wisconsin.

Yet, revenue limit relief alone will not be enough for declining enrollment districts that will lose a significant percentage of their student population in the very near future. School districts around the state must find new ways to deliver educational services and insure a sound, basic education for significantly fewer students. In response to these challenges, the Task Force recommends that all school districts, regardless of current enrollment levels, be required to prepare a long-term, comprehensive Master Plan. This plan would require districts to work with the public to create a long-term strategy for how education will be delivered to students in the district, including how to deal with the educational and functional effects of significant declines in enrollment, and, as a result, fewer dollars.

Small Rural Districts

With about one in five of the state's 426 districts having enrollments of fewer than 500 students, the school finance system needs to be sensitive to the special challenges faced by smaller districts that often lack the economies of scale of larger districts, but operate under the same revenue constraints and aid formula. Many of our recommendations, such as those concerning special education and declining enrollment, will be of particular value to smaller school districts.

The Task Force also recommends increasing the transportation categorical aid so that districts with especially high transportation costs will not need to cut necessary educational programs just to pay for getting the students to school. The Task Force believes that the failure to increase transportation aid over the past two decades has increased inequality among districts as those with high transportation costs often have less room under the revenue caps to pay for educational programs than districts with minimal transportation costs. The Task Force suggests that the transportation fund be the source for school transportation aid just as it currently helps support municipal bus systems.

The Task Force believes consolidation of districts should be considered in various areas of the state, especially when adjacent districts are small in area as well as population. At the same time, the Task Force concludes that for many small districts the distances are already so far that it might be unworkable to combine efficiently with adjoining areas. Instead, the Task Force endorses a series of proposals to encourage smaller districts to look for savings by collaborating with other school districts or other units of government and working with Cooperative Educational Service Agencies (CESA) and state government agencies to reduce costs.

Reducing Reliance on the Property Tax

For a state to promote educational excellence, a sustainable and fair system of education finance must be established. It must depend on a revenue stream that is both stable and seen by the broader public as fair. Unfortunately for Wisconsin today, the state's current education finance system relies, in part, on a revenue source -- the property tax -- that has come under increasing criticism in recent years. The hostility toward property taxes endangers the future of public education. It is time to pull the kids out of the property tax wars.

Demographic changes have led to increased tension between homeowners who pay property taxes and the financing of local schools. Over the past thirty years, decisions have been made to exempt certain business property and decrease taxes on agricultural land. As a result, an increasing share of the local tax burden has fallen on homeowners. Furthermore, residential property values have grown much faster than those of any other class of property in the state. Together, these factors have increased the property tax burden on Wisconsin families, as homeowners now pay over two-thirds of the property tax bill, up from less than half in 1970.

In addition to this property tax shift to homeowners, another challenge of using property taxes to fund schools is that fewer homeowners actually have children in school. In 1960, about half of homeowners had children under 18, while, today, it is about one third. As many more individuals do not experience a direct benefit from schools, a destructive tension is being created between property taxes and public education. These demographic changes mean that, while there are fewer and fewer households with a personal stake in the public school system, the burden on those households to fund that system through property taxes has grown. That development is certainly not a recipe for stability in public education.

Property wealth, which was once closely linked with income and ability to pay, is now less so for some groups. A growing proportion of homeowners are senior citizens on fixed incomes, a trend

that will continue as the Baby Boomer generation ages into retirement. Seniors have seen their property values and their property taxes increase, but their incomes are often much more modest than their home values suggest.

In response to these changing developments, the Task Force recommends shifting a significant portion of the tax burden for public schools from the local property tax and replacing it with increased sales tax revenues, to be generated through expanding the sales tax base and increasing the sales tax rate. In 2000, Wisconsin ranked 11th nationally in terms of property taxes paid as a percentage of personal income. That ranking is a sharp contrast to how Wisconsin fares with regards to the sales tax. In the same study, Wisconsin ranked 31st out of 46 states in terms of the amount of sales tax as a percentage of personal income. Not only is Wisconsin's sales tax rate lower than many of its neighbors, the tax code is filled with exemptions, often the result of successful political lobbying, rather than sound fiscal policy. The lesson to be drawn here is that while Wisconsin suffers from high property taxes, our sales tax burden is below average.

The Task Force endorses a concept of increasing the state sales tax by one penny (from 5 cents to 6 cents) and closing enough sales tax exemptions to produce a total of \$1.4 billion for use as property tax relief. If the money is distributed through the current state equalization aid formula (one of a number of possible options), the average school property tax reduction would be about 43% and the overall property tax reduction on the total bill would average 20% statewide. While the Task Force does not endorse a specific means for distributing the additional state aid, if the funds were distributed in accordance with the current equalization formula the effect on the school levies would be dramatic, as the example of the state's ten largest districts demonstrates: Milwaukee (-52%), Madison (-37%), Racine (-62%), Kenosha (-49%), Green Bay (-47%), Appleton (-48%), Waukesha (-48%), Eau Claire (-43%), Janesville (-52%), and Oshkosh (-58%). For the owner of a median value home in Wisconsin, the average property tax savings should be more than \$500 a year.

The Task Force does not endorse repealing specific exemptions, although we are confident after reviewing the list of all exemptions, that raising adequate funds is possible while maintaining exemptions on necessities such as food, medicine, or health care expenditures. The Task Force recommends that the Governor and Legislature focus on exemptions that would broaden the sales tax to cover more services, especially those that are more discretionary, which would make the tax more stable and robust in today's economy and less regressive. The Task Force also advocates creating a sales tax credit or expanding the Homestead credit to reduce the regressive effects of greater reliance on the sales tax. This would help ensure the benefits are shared by all groups of taxpayers and the higher sales tax rate does not have a detrimental effect on the lowest income taxpayers.

The Task Force also suggests that the growth in revenues in future years from these changes to the sales tax be dedicated to education. The funds could be used to fund some of the specific initiatives outlined in the Task Force's recommendations, or increases in general equalization aid that would also help communities reduce future property tax increases.

To characterize this plan as a tax increase for schools is misleading. The plan is a shift in how people pay their taxes, not a change in the total amount of taxes Wisconsin citizens pay for education. Since the Task Force has not recommended the repeal of the revenue caps, school districts will not be able to raise their spending above prescribed limits to take advantage of the lower property taxes. The Task Force believes other units of government should not take advantage of the reductions to increase their own tax levies. While rejecting arbitrary freezes that could endanger local services, the Task Force recommends consideration of meaningful

mechanisms to help guarantee that property taxpayers see the full benefit of this tax reduction plan.

Conclusion

In considering these recommendations, it is also important to note that state spending on education is not constant. Even in this biennium, when the state faced a historic \$3.2 billion deficit, the Governor and the Legislature were able to make sure public schools received an additional \$189 million in state support. The proposals in our report suggest priorities that should be considered in allocating any additional funds for education. The focus in recent years on increasing equalization aids to achieve two-thirds funding has been an admirable effort to aid local schools and help hold down property taxes. However, it has also meant fewer increases in areas such as special education, bilingual, SAGE and transportation aid that may better address some of the disparate costs different districts experience.

More specific proposals on some subjects might have resulted if the Task Force had relied on majority votes, instead of gaining consensus support for each and every recommendation. But the members believe a less specific recommendation that has the support of the entire wide range of views represented on the Task Force should carry more weight than a more detailed one advocated by a narrower majority of the members.

The following are our detailed recommendations and the rationale for their inclusion in our Agenda for Educational Excellence.

Section 1

Promoting Educational Excellence

Governor's Charge: *Review existing barriers to academic achievement and make recommendations to ensure that every student has an equal opportunity to a great education, regardless of location, disability, language barriers, and economic situation.*

Study and make recommendations on how to improve the state's ability to attract, recruit, train, and retain high quality teachers so that every child and every classroom has a high quality teacher, including ways to increase compensation to attract our best young students to the profession, keep our experienced teachers in the profession, and align our best teachers with the toughest challenges.

Study Wisconsin's current investments in early childhood education and recommend ways to make other early investments in education to increase student achievement and accomplish other long-term results.

Consider and recommend ways to adequately fund special education, including ways to share special education costs more evenly across the state, while assuring that public education is available to all.

The Governor's charge to the Task Force reflects the holding of the Wisconsin Supreme Court four years ago in its landmark *Vincent v. Voight* case. In that decision, the Court held that "...Wisconsin students have a fundamental right to an equal opportunity for a sound basic education...one that will equip students for their roles as citizens and enable them to succeed economically and personally." The court also stated that "an equal opportunity for a sound basic education...takes into account districts with disproportionate numbers of disabled students, economically disadvantaged students, and students with limited English language skills."¹

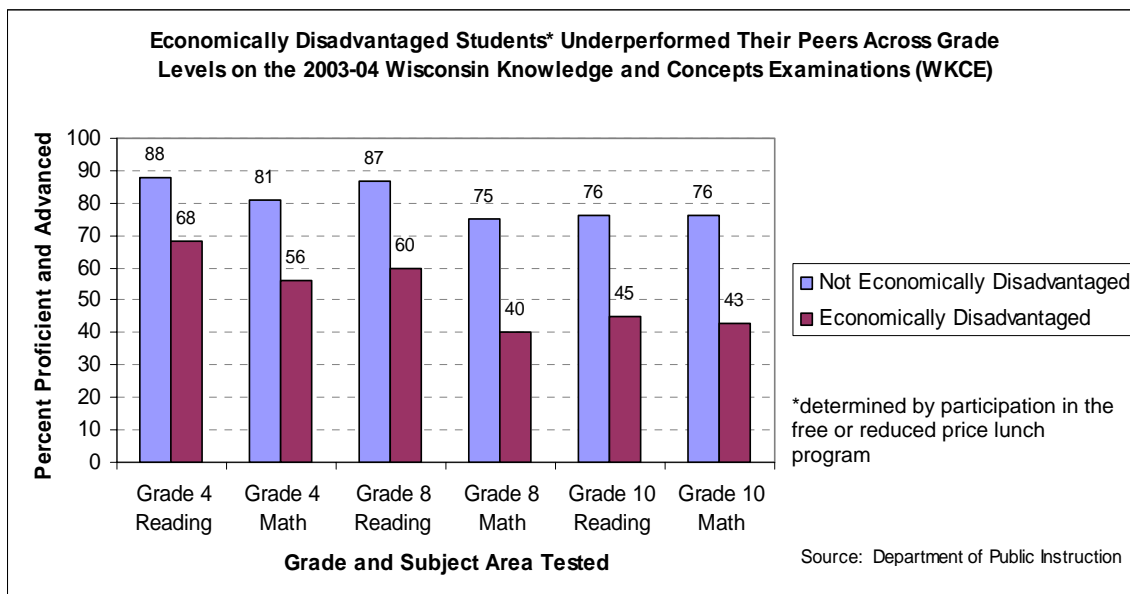
I. Improving Student Achievement

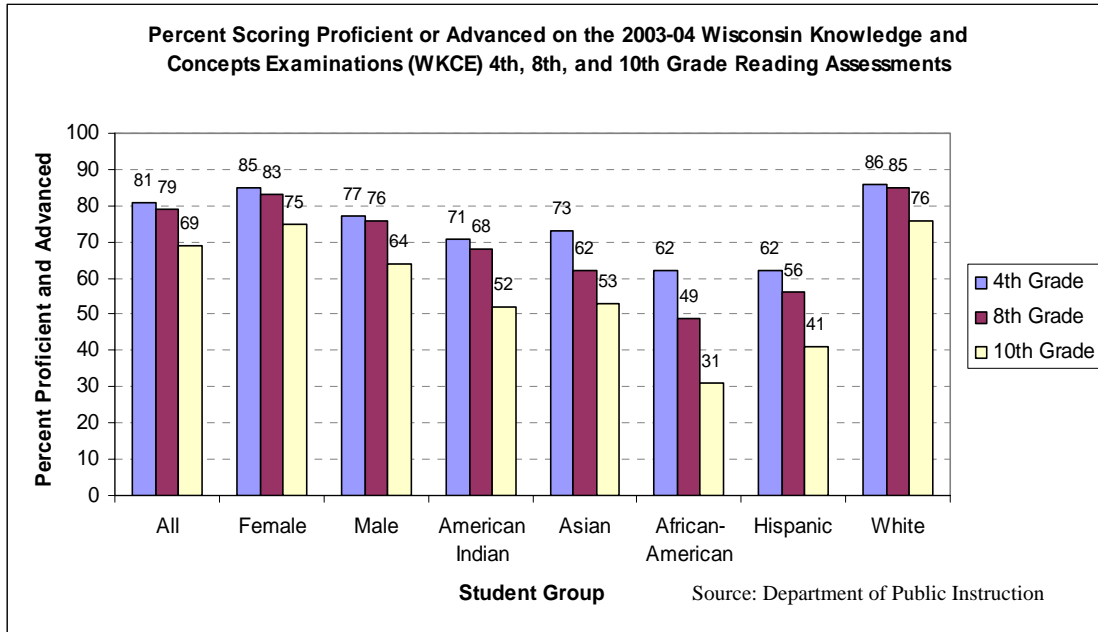
Problem: Wisconsin is a national leader in public education. Overall, Wisconsin students demonstrate high academic attainment levels on most measurable indicators. For example:

- Wisconsin high school students have perennially ranked first in the nation in state average scores on the ACT test;²
- According to *Education Week's* annual *Quality Counts* report, Wisconsin ranked 8th in the overall rate of high school graduation in 2001;
- Our performance on the National Assessment of Educational Progress (NAEP), which measures student achievement at the 4th and 8th grade levels in reading and math, is also consistently above the national average; and
- *Quality Counts* also reports that in 2000 Wisconsin ranked 12th in the percentage of 9th grade students enrolling in a two or four-year higher education institution four years later.

However, Wisconsin also faces serious challenges in certain areas, perhaps the most pressing of which is the persistent gap in performance between children from poor households, children of color, and their peers. The Task Force believes that the current achievement gap is unacceptable, and that changes must be made to ensure that all children in Wisconsin have the opportunity to succeed in school and life. The following facts underscore the magnitude of the problem Wisconsin faces:

- According to the most recent NAEP results, economically disadvantaged students performed below their more advantaged peers on every category tested;
- NAEP results also indicated that the gap between African American and white 8th graders on both reading and math was the largest of any state in the nation;
- As illustrated below, students from poor households also performed below their grade-level peers on all Wisconsin Knowledge and Concepts Exams (WKCE) in 2003; and
- In addition, students of color performed behind their non-minority peers on all state WKCE assessments.





- According to statewide data from DPI in 2002-03, high schools with fewer than 25% of students living in poverty graduated 94% of their students. Schools with 50% or more of their students living in poverty graduated only 72% of their students; and
- The high school graduation gap between children of color and their non-minority peers in Wisconsin is one of the largest in the nation, according to *Quality Counts*.

If the achievement gap is not addressed, thousands of children will fail to develop the skills necessary to find full-time, family-supporting employment. Not only will these children face serious roadblocks to future personal success, the state's economic future will be jeopardized, as well. The Census Bureau reports³ that the annual earnings of high school graduates slipped from approximately two-thirds of the earnings of bachelor's degree recipients in 1975 to only 55% in 1999. While the number of Wisconsin students who pursue a college degree is above the national average, over 55% of Wisconsin 19 year-olds still do not go on to college. For those students failing to earn even a high school degree, census data indicates that annual earnings dropped from 90% of the average earnings for high school graduates in 1975 to 70% in 1999. Moreover, all indications are that the number of good paying jobs requiring only a high school degree will continue to diminish. These data affirm that eliminating the achievement gap and increasing the overall number of college and high school graduates are fundamental to Wisconsin's future.

English Language Learners

The number of English Language Learner (ELL) students in Wisconsin tripled from 1.3% of total student enrollment in 1989-90 to 3.9% in 2003-04. In 2003, DPI identified over 34,000 ELL students in over 200 Wisconsin districts who spoke 85 home languages other than English, primarily Spanish and Hmong. The chart below provides additional information from a recent DPI census of ELL students.

| English Language Learner Data in 2002-2003 | |
|---|---|
| # of ELL students identified | 34,199 |
| # of ELL students served in state reimbursed programs | 22,136 |
| # of state reimbursed programs | 43 Appleton, Beaver Dam, Beloit, Burlington, DC Everest, Delavan-Darien, Eau Claire, Elkhorn, Fond du Lac, Franklin, Green Bay, Holmen, Howard-Suamico, Janesville, Kaukauna, Kenosha, La Crosse, Lake Geneva J1, Lake Geneva-Genoa City, Madison, Manitowoc, Marshall, Menasha, Menomonie, Milwaukee, Neenah, New London, Onalaska, Oshkosh, Racine, Sauk Prairie, Sheboygan, Shorewood, Stevens Point, Sun Prairie, Two Rivers, Walworth J1, Waukesha, Wausau, Wautoma, Whitewater, Whitnall, and Wisconsin Rapids |
| # of ELL students (by language) served in state reimbursed programs | Spanish – 12,846; Hmong – 8,626; Khmer – 159; Korean – 116; Lao – 91; Russian – 91; Serbo-Croatian – 58; Albanian – 55; Mandarin – 53; Tibetan – 26; and Arabic – 15 |

Current law requires that approximately 40 school districts provide specific bilingual-bicultural programs. The cost of these programs has more than doubled (up 130%) since the creation of this state law. However, the categorical aid for bilingual-bicultural education has not increased since the early 1990s. As a result, school districts are forced to divert resources away from non-ELL children to ELL programs in order to meet the statutory requirements of the program.

In addition, the qualifications for bilingual-bicultural categorical aid have been fixed in law, and no longer reflect the growing diversity of Wisconsin's population. While only 43 districts qualified for categorical aid funding in 2002-03, over 150 other school districts have significant numbers of ELL students to educate without specific state aid to support programs to help them become English proficient. As the overall number of ELL students has increased, so has the number of districts affected.

Paying for bilingual education within the confines of revenue limits forces difficult tradeoffs between essential programs. As the cost of educating ELL students continues to rise, many districts, particularly those with declining overall student enrollments, must choose between taking money out of other priority areas or adequately funding ELL education. The result is that the quality of education for all students suffers. The effect on ELL students is demonstrated by the majority of ELL students who failed to score "proficient" or "advanced" on state assessments. This issue will become more pronounced in the near future as ELL students will be required under federal law to take assessments in English, rather than their native language. As the number of ELL children continues to rise in Wisconsin, so must our commitment to ensure that they become well educated, successful adults.

School Climate

The Task Force believes that school climate can have a dramatic effect on a student's ability to learn and succeed academically. Low teacher expectations for students and other aspects of overall school climate may be a contributor to the achievement gap that persists in Wisconsin. As Wisconsin schools continue to grow more diverse in the coming years, there is a greater need for all Wisconsin students and school staff to understand and respect one another, regardless of their backgrounds. A strong, positive school climate that fosters high expectations among students and staff will help to promote student achievement.

Goals

- Promote high academic performance for all children by ensuring that the opportunity for a sound, basic education exists in all Wisconsin schools.
- Work to eliminate the achievement gap so that every child in Wisconsin has the opportunity to be successful in school and life.
- Ensure that sufficient state resources are available to school districts to reduce the unnecessary competition between ELL students and non-ELL students for needed programs and resources.
- Foster a strong and vibrant school climate that reinforces high expectations for all students and staff and promotes student learning.

Recommendations

1. *The Task Force recommends making additional investments in smaller class sizes by increasing the per pupil SAGE payment from \$2,000 to \$2,500 to help ensure that school districts can continue to offer this important program.*

Justification: The Task Force finds that there is a large body of research concluding that students who are economically disadvantaged or from some racial and ethnic minorities perform better academically in smaller classes.⁴ Studies, including the Student Teacher Achievement Ratio (STAR) study in Tennessee⁵ and the 2000-01 evaluation of the Student Achievement Guarantee in Education (SAGE) program in Wisconsin⁶ demonstrate that small class sizes have been proven to improve student achievement. This pioneering program has reduced class size in kindergarten through 3rd grade (K-3) in many schools throughout the state, and has resulted in achievement gains among its participating students and positive feedback from parents.

Wisconsin's SAGE program began in 30 schools in the 1996-97 school year, and its success among students and parents led to expansions in 1998-99 and in 2000-01. The objective of SAGE is to increase student achievement through the implementation of the following school improvement strategies:

- student to teacher ratios of no more than 15:1 in K-3rd grade;
- increased collaboration between schools and their communities;
- implementation of a rigorous curriculum focusing on academic achievement; and
- improved professional development and staff evaluation practices.

SAGE schools sign 5-year contracts with the state and receive state aid equal to \$2,000 for each low-income child (as determined by participation in the federal free or reduced price lunch program) in K-3. In 2003-04, nearly 98,000 children benefited from participation in a SAGE classroom.

At its peak in 2000-01, 578 schools participated in the SAGE program. In 2003-04, the number of participating schools had dropped to 529. According to anecdotal evidence, a lack of sufficient funding was cited, in some cases, as contributing to the decision to eliminate the program. State funding for SAGE, which was \$4.5 million in 1996-97, has grown to \$95 million in 2003-04, but the per pupil funding level of \$2,000 has not changed since the program's inception. As fixed costs, such as health insurance, continue to grow, \$2,000 per student does not buy districts today what it did when the program was first created. The lack of any increase in state per pupil support that recognizes even inflationary increases in costs

for this program is leading more districts to question whether they will be able to continue SAGE participation.

Estimated Fiscal Effect: Increasing the per pupil payment from \$2,000 to \$2,500 would cost an estimated \$24 million annually.

2. *The Task Force recommends giving strong consideration to permitting additional schools to enter into SAGE contracts with DPI. Priority would be given to schools with the highest poverty levels.*

Justification: As noted in Recommendation #1, the Task Force finds that the SAGE small class size program has led to increased student achievement, particularly among economically disadvantaged and minority students. Additional schools are interested in offering the SAGE program to their students. However, the last opportunity that new schools had to join the program was in 2001, and current state law does not permit DPI to enter into new contracts with additional schools.

Estimated Fiscal Effect: Unknown. It depends on many factors, including the number of additional interested schools, the state payment per student, and the number of new students.

3. *The Task Force recommends additional investment in before- and after-school wraparound programs in high poverty areas. Specifically, the Task Force recommends creating a state categorical aid program to provide grants to high poverty schools in both rural and urban areas for before and after school programs meeting the following criteria:*
 - (a) *coordinate with parent and community programs;*
 - (b) *coordinate other services (e.g. transportation, child care, translation services) to promote greater parental involvement in and support for their schools;*
 - (c) *encourage the creation of parent resource libraries/community campaigns that underscore the importance of helping children learn at home;*
 - (d) *increase parent volunteer opportunities in school;*
 - (e) *coordinate with community health programs; and*
 - (f) *coordinate with other related programs such as those required by SAGE.*

Justification: There is a large body of research indicating that student achievement is greatly affected by what happens when a child is outside the classroom, in many cases arguing that what happens outside the school day is just as important as what happens while the child is in school. Disengaged parents, low quality child care, a lack of activities during non-school hours all contribute to lower student achievement.

What happens before and after school is an issue not only for schools and parents, but also for the community. Collaborative partnerships among cities, counties, businesses, and schools are critical to the success of efforts to enhance student achievement.

Research shows that parent involvement improves student success, regardless of the parent's income or educational levels, and that parent involvement in learning improves student achievement regardless of racial, ethnic, and economic background.⁷ Parent participation in student learning is also particularly important for children in disadvantaged homes. However, there are serious roadblocks to parental involvement in economically disadvantaged homes, including: a larger percentage of single parent families with less time

available to spend together; lower educational attainment by the adults in the family; and a lack of funds to purchase additional educational materials and experiences. Schools, particularly those in low-income areas, must be a strong partner to help foster family involvement in their children's education.

Research also demonstrates that programs during the hours immediately after the normal school day are critical to both academic achievement and public safety.⁸ Programs like the 21st Century Community Learning Centers, Big Brothers and Big Sisters, and other before- and after-school services enhance student achievement, improve student attitudes, and increase school attendance.

There is currently no state funding targeted to assist districts and schools to implement parental involvement programming and/or extended-day programs. This Task Force recommendation would provide additional resources so that new programs could be created across the state in high-risk schools.

Estimated Fiscal Effect: Unknown. The costs associated with this item will depend on the number of schools and students who would participate in such programs, and the level of state and local contributions expected.

4. *The Task Force finds that a positive, respectful school climate is critical to student performance and recommends the following:*
 - (a) *Develop state standards for educational staff that reflect diversity and multicultural competence;*
 - (b) *Revise current state standards to include expectations for development of student knowledge, understanding, and respect for all diversity;*
 - (c) *Provide professional development opportunities, particularly in schools with significant student performance problems, regarding these new state standards and reinforcing understanding, tolerance and respect for all children; and*
 - (d) *Encourage school districts to incorporate student and staff respect for other persons in mission statements, operating policies, and procedures.*

Justification: The Task Force finds that a school's climate can have a dramatic affect on student performance, and may be a contributor to the achievement gap. Some have suggested that low teacher expectations and standards may be among the causes of the achievement gap.⁹

Schools must create an inclusive environment that breaks down barriers to academic achievement for all students. To this end, the Task Force finds that the development of specific state standards around diversity and multicultural competence, as well as professional development opportunities, will assist in the furtherance of these goals.

Estimated Fiscal Effect: This proposal has minimal state and local costs.

5. *The Task Force recommends substantially increasing funding for the state bilingual-bicultural categorical aid program.*

Justification: The Task Force believes that investment in services and support for ELL students can lead to long-term positive gains. Data from the Sheboygan Area School District

reinforces the benefit of program support for ELL students. After an average of five years of additional services, these Sheboygan ELL students outperformed native English speakers on statewide standardized testing in four out of five subject areas tested.¹⁰

The state bilingual-bicultural aid program last received a funding increase in the early 1990's, and, in 2004-05, it is expected that state categorical aid funding of \$8.3 million per year will reimburse about 12%-13% of eligible school district costs. Maintaining a static dollar level of categorical aid funding, while bilingual-bicultural education costs continue to increase, effectively shifts the funding source for these costs to general school aid and property taxes. Further, the number of ELL students continues to increase rapidly, requiring more school districts to provide bilingual-bicultural programs for ELL students under state law.

Estimated Fiscal Effect: The fiscal impacts of various percentage increases are as follows:

- 5% increase in the state's reimbursement rate (would bring reimbursement level to 15%-16% in FY06 and FY07) = \$3-\$4 million GPR;
- 10% increase in the state's reimbursement rate (would bring reimbursement level to 20%-21% in FY06 and FY07) = \$7-\$8 million GPR; and
- 25% increase in the state's reimbursement rate (would bring reimbursement level to 35%-36% in FY06 and FY07) = \$18-\$20 million GPR. While the Task Force elected not to select a specific funding target, the Task Force suggests that a 25% increase in the state's reimbursement rate would be the most desirable.

6. *The Task Force recommends funding for school districts that do not qualify for bilingual-bicultural categorical aid under current law but are still educating ELL students. Districts receiving such funds must demonstrate that the funds are being used to promote bilingual-bicultural education among their students.*

Justification: The Task Force finds that, while the current state bilingual-bicultural categorical aid provides some minimal assistance to certain districts with ELL students, only 10% of districts statewide are eligible for this funding. Additional assistance must be provided to the districts that do not qualify for aid, but are providing educational services to ELL students nonetheless.

Current state law establishes thresholds, based on the number of ELL students, before requiring districts to provide services to these students. School districts are required to establish programs only if there are:

- 10 or more ELL pupils in a language group in grades K-3 in attendance at a particular elementary school;
- 20 or more ELL pupils in a language group in grades 4-8 in attendance at a particular elementary, middle or junior high school;
- 20 or more ELL pupils in a language group in grades 9-12 in attendance at a particular high school;

Only approximately 40 districts meet these threshold requirements, and only 65% of the state's ELL students are served in these districts. Approximately 160 school districts are educating the remaining third of Wisconsin's ELL pupils, but receive no additional state assistance in providing for their education. The Task Force recommends addressing this

inequity by increasing assistance on a per pupil basis to these districts that currently receive no state aid for their bilingual education efforts.

Estimated Fiscal Effect: Examples of the cost of providing funds on a per student basis to all districts with ELL students are as follows:

- \$100 per pupil = \$1-2 million GPR;
- \$250 per pupil = \$3-4 million GPR; and
- \$350 per pupil = \$5-6 million GPR. (NOTE: The current state reimbursement rate of bilingual-bicultural aid on a per pupil basis is roughly \$350 per pupil.) While the Task Force elected not to select a specific funding target, the Task Force suggests that the \$350 per pupil amount would be the most desirable.

7. *The Task Force recommends increasing the state's commitment to high quality summer school programming. The Task Force did not recommend a specific mechanism for increasing funding, but rather provided two examples. These examples are:*
- (a) *Increasing the current revenue limit authority factor for summer school enrollment from 40% of full time equivalent (FTE) student to a higher percentage, such as 50%, for districts that provide programming that research indicates improves student achievement; and*
- (b) *Allocating additional resources for summer tutoring and other special services for students in high poverty schools.*

Justification: Many school districts currently provide summer school programs for remediation purposes in order to improve student achievement. Further, research consistently shows that students, especially low achieving students, lose significant ground over the summer months.¹¹ Summer instruction can help students better retain the knowledge they have gained during the school year, and prepare for the coming school year.

However, due to summer school revenue limit constraints, some districts have been forced to reduce summer school programs (e.g. MPS in 2003) in order to have adequate resources to support regular school year programs. Given the growing challenges faced by all districts in maintaining current summer school programs, consideration should be given to increasing the revenue limit factor for summer school from 40% to a higher figure. This initiative may also be helpful in encouraging the 10% of school districts in the state that currently do not offer any summer school opportunities to establish a summer school program. Furthermore, additional consideration should be given to providing more targeted instruction, such as summer tutoring, to those low-income students who attend chronically under-performing schools.

Estimated Fiscal Effect of Example (a): Increasing summer school reimbursement to 50% would provide school districts approximately \$4-\$5 million in additional revenue limit authority in Year 1, \$8-\$10 million in additional revenue limit authority in Year 2, and \$12-\$15 million in additional revenue limit authority statewide once the three-year phase in of the increased enrollment count is completed.

Estimated Fiscal Effect of Example (b): Unknown. The fiscal effect depends on many factors, including setting the minimum eligible school poverty rate, low achievement criteria, and identifying which services are eligible for state aid.

8. *The Task Force recommends the creation of a 10-school pilot program focused on high poverty districts and/or schools throughout the state to develop extended year programs coordinated with other parent and community programs. Specifically, these programs would provide funding to either districts or schools that extend their school years beyond the current statutory 180-day minimum.*

Justification: While research underscores the importance of continuous learning for all students, this is especially true for students living in poverty. Recent research found that lower achieving students lose ground over their summer vacations at a greater rate than other students, and lower achieving students in an extended-year school experienced achievement gains in math and reading and maintained their advantage over their counterparts.¹² Moreover, the loss of knowledge over the summer creates inefficiencies by forcing teachers to spend significant time reviewing information covered in the previous year.

Under current law, there is no financial incentive for school districts to schedule more than 180 days of school. The Task Force believes that there is sufficient research demonstrating the effectiveness of extended school years, and believes extended-year pilot programs are worth pursuing.

Estimated Fiscal Effect: Approximately \$10 million annually. To the extent that state dollars are limited, other sources of funding, such as private gifts or foundation grants, could be sought.

9. *The Task Force recommends exploration of a pilot “residential school” that would recruit homeless and foster children.*

Justification: The Task Force recognizes that a stable and secure environment is desirable for academic achievement. The Task Force also recognizes the challenges faced by children in urban environments who frequently move, and may be in multiple foster care homes, or may be homeless. The Task Force heard testimony that as many as 8,000 MPS students are homeless at different times in a single school year.

Recent experiences from a public boarding school for students in grades 7 through 12 in Washington D.C. established by the SEED Foundation indicate that a college-preparatory boarding school environment may offer a stable, alternative environment for these students. According to 2004 data from the SEED Foundation, 97% of the students who entered SEED’s ninth grade class were on track to graduate from high school in 2004, versus 63% at DC Public Schools (DCPS), and 86% of the students who entered the ninth grade class had been accepted to college in 2004, versus 30% in DCPS.

These early results demonstrate why a residential school for homeless children is an alternative that should be considered, particularly for those students without a stable living arrangement in the MPS attendance area.

Estimated Fiscal Effect: Unknown. The fiscal effect of this recommendation depends on many factors. To the extent that state funds are limited, other sources of funding, such as private gifts or foundation grants, could be sought.

10. *The Task Force recommends studying the feasibility and value of funding school districts based on average daily attendance. The study would examine the impact of average daily attendance systems in other states, including the effect such systems have had on attendance rates and student achievement, and would take into account any additional stress that such a system might place on high poverty schools.*

Justification: The Task Force recognizes that student attendance is critical to student achievement, and that even the most effective curriculum will make little difference if students do not show up for school. Students who are habitually truant are less likely to succeed academically, and are far more likely to drop out of school. Exploring a system of school funding that is based on average daily attendance over the course of a full school year, as opposed to attendance on two only specific days (the third Friday in September and the second Friday in January), would provide a financial incentive for school districts to make sure students are at school every day. This change would encourage schools, districts, and other community organizations to find innovative ways to reduce truancy.

Estimated Fiscal Effect: Minimal fiscal effect. A study could be funded through state, private, or foundation sources.

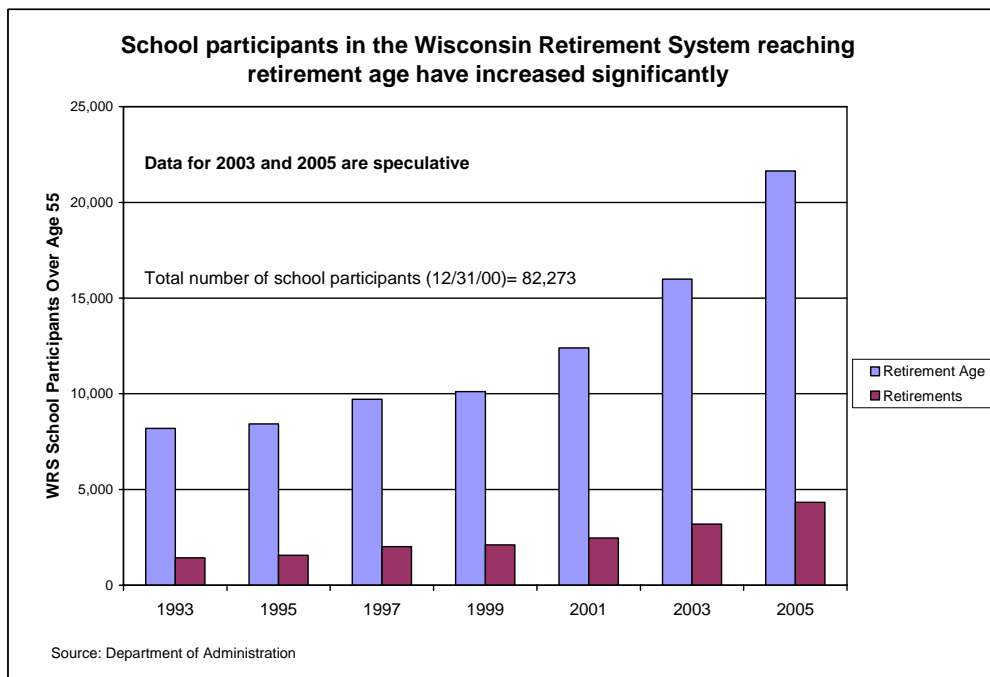
II. Strengthening the State's Efforts to Attract and Retain High Quality Teachers as a Means to Improve Student Achievement

Problem: Studies have long shown that one of the most, if not the most, important factor in student achievement is a high quality teacher in the classroom. According to the DPI, nearly 900,000 Wisconsin students attend public schools from 4 year-old kindergarten (4K) through grade 12, and are served by over 60,000 teachers, 15,000 aides, and 1,700 principals. It is a testament to the dedication of these educators and the parents of our students that the state continues to maintain its high rankings on national tests and college attendance. However, to succeed in an increasingly competitive and global economy, Wisconsin must do better.

Teacher Shortages

The recruitment and retention of public school teachers in Wisconsin, particularly to certain high poverty urban and rural schools and high-need subject areas, are critical issues facing many schools. The Task Force heard testimony suggesting that many of the hard-to-staff schools can attract qualified younger teachers to apply for teaching positions. However, once these teachers are given more experience, they often leave for other schools offering higher salaries and better working conditions, or are located in communities that may be perceived to be more desirable.

Another pressing issue is that Wisconsin, along with many other states, is facing increasing retirements of "baby boom" generation teachers. According to a June 2003 report by the Wisconsin Taxpayers Alliance, nearly one-third of Wisconsin public school teachers were age 50 or older in 2002.¹³ Wisconsin Department of Employee Trust Funds data indicate that by 2005 the number of teachers eligible to retire will have increased 160% over the 1993 number, from 8,200 to almost 22,000. Given the challenges posed by an aging teaching workforce, Wisconsin school districts must have the ability to attract, train, and retain more highly qualified teachers.



Source: Wisconsin Department of Employee Trust Funds and Department of Administration

In addition to replacing larger numbers of retiring teachers, Wisconsin also faces challenges in recruiting and retaining teachers in certain subject areas. According to DPI's annual report on teacher supply and demand, the subject and licensure areas with extreme shortages in Wisconsin included Special Education fields, Bilingual/ESL, and high school specialties such as Technology, Chemistry, and Physics.¹⁴

Teacher Compensation

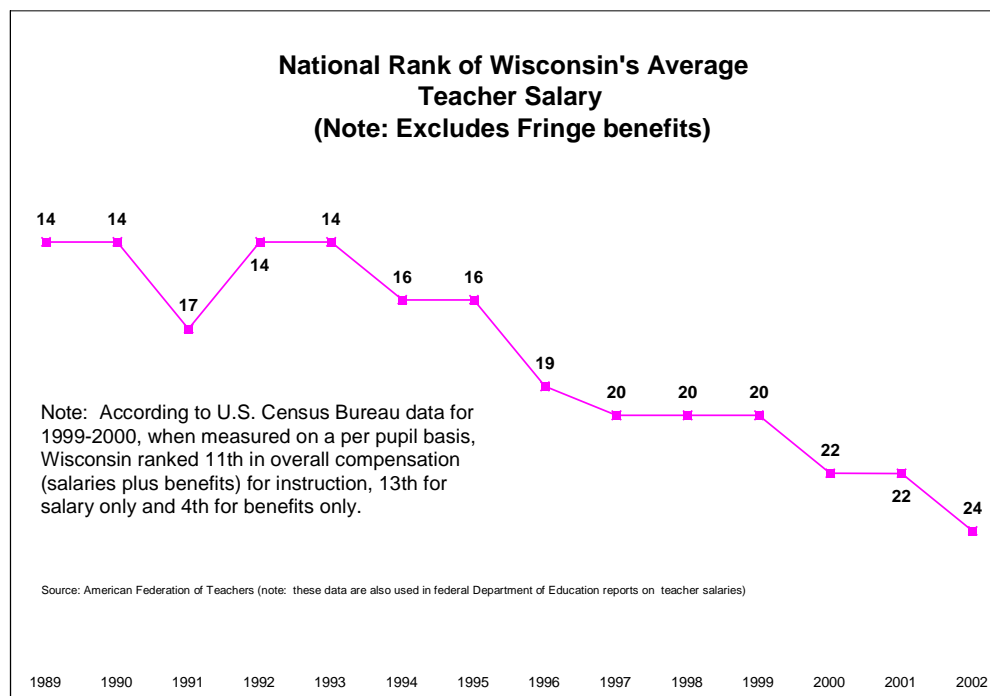
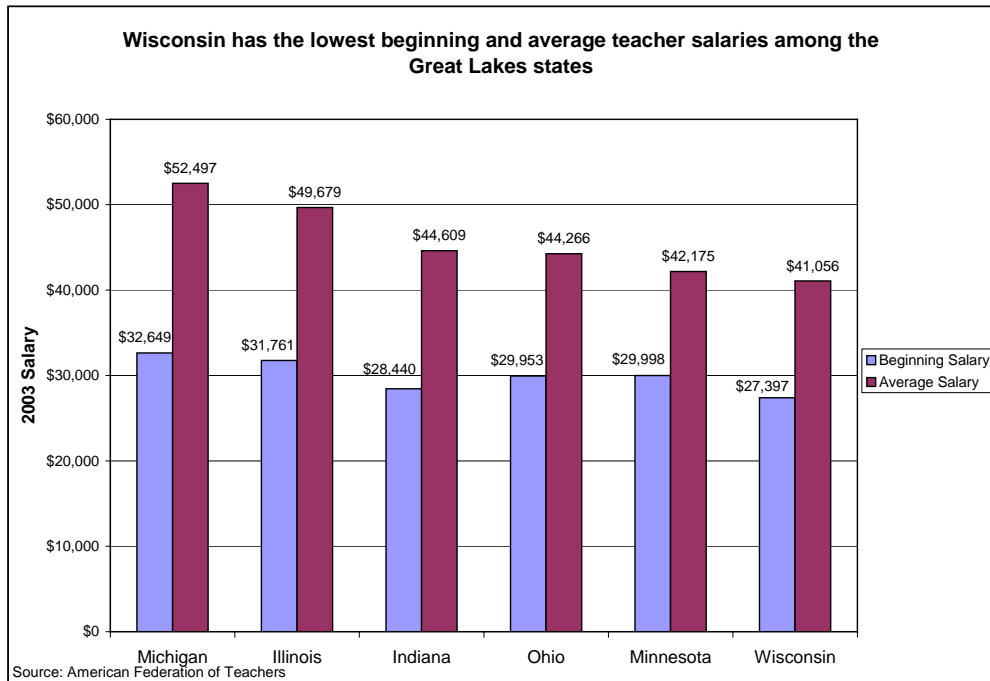
One important component of attracting and retaining qualified candidates to any career is salary. Wisconsin's national teacher salary ranking has dropped in recent years, largely as a result of the Qualified Economic Offer (QEO) law.

Under the QEO law, a school board can avoid interest arbitration on economic issues in teacher bargaining, if it offers a QEO. To be valid, a QEO must:

- a) provide a total compensation (salary and fringe benefits) increase over the prior year of 3.8% as measured against the prior year's district-wide base compensation, using the "cast forward" method of costing;
- b) maintain (1) all employee fringe benefits, as they existed 90 days prior to the expiration of the previous contract, and (2) the district's percentage contribution to that package;
- c) if maintaining the fringe benefit package costs more than 3.8% of total base compensation the board may cut salaries; and
- d) use the amount, if any, of the 3.8% remaining after fringe benefits are paid for salary increases first to pay employees for additional years of service before providing any general across-the-board increases.

According to data collected by the American Federation of Teachers (AFT), Wisconsin now has both the lowest average salary and lowest beginning salary in the Great Lakes Region.¹⁵

Wisconsin's overall national rankings on average teacher salaries, excluding fringe benefits, have also declined consistently since the QEO law was implemented. This decline in national ranking also exists when comparing Wisconsin teacher salaries to comparable salaries in the private sector and adjusting teacher salaries for the cost of living.



In addition, the QEO law has inhibited efforts to make innovative changes in the typical teacher salary structure. Under current law, few incentives exist to encourage school districts and teacher unions to deviate from the traditional salary schedule, based solely on credits earned and years served. Research presented to the Task Force by Dr. Allan Odden, Professor of Education at the University of Wisconsin-Madison and a national expert on school finance, concludes that years of experience, degrees earned, and continuing education credits are not strongly linked to teacher effectiveness.¹⁶ These data suggest that a compensation system based solely on these factors is outdated, especially when the ultimate goal is to improve student achievement.

DPI has taken a critical first step to promote student achievement through its recent implementation of PI 34, the Wisconsin Quality Educator Initiative. Under PI 34, DPI has created a three-tiered licensing system to focus teacher education, licensing, and professional development on the knowledge and skills necessary to become a better teacher. The following table, prepared by DPI, summarizes PI 34 licensing stages in greater detail.

WISCONSIN QUALITY EDUCATOR INITIATIVE LICENSE STAGES CHART

| EDUCATOR LICENSE STAGES UNDER PI 34 | | | |
|---|---|---|--|
| Components | Initial Educator Available after 8/31/2004 | Professional Educator* Available 7/1/2004 | Master Educator (optional) Available 7/1/2004** |
| Wisconsin Standards for teachers, administrators, and pupil service personnel | Proficiency in all teacher, pupil services or administrator standards-focus on 2 or more | Increased proficiency in all teacher, pupil services or administrator standards, but focus on 2 or more | Mastery of all teacher, pupil services or administrative standards |
| Prerequisites | Completion of a performance based professional education program with IHE endorsement Passing scores on state superintendent approved standardized test in license area | Successful completion of initial educator requirements/PDP | Complete five years successful experience as professional educator, and related Master's Degree |
| Professional Development Plan: • Learning Goals • Identified Activities • Timelines • Evidence of Collaboration • Assessment Plan | Yes | Yes | Portfolio to state superintendent with evidence of Standards Mastery and • contributions to profession • improved pupil learning • & demonstration of exemplary school performance – (video) |
| Length of License | 5 year non-renewable, minimum three years | 5 year renewable | 10 year renewable |
| Who approves, monitors and assesses? | Team: Initial Educator Team Three members—administrator, IHE representative, peer (not mentor) approve goals, monitor & verify completion of the professional development plan | Team: Professional Development Team—3 licensed educators selected by peers review and verify successful completion of the professional development plan | Team: Assessment Team—3 trained educators of similar job responsibilities selected by state superintendent—assess evidence of mastery of all standards through required portfolio entries & video review |
| Support | Mentor and feedback from Team | Feedback from Team | Assessment & feedback by Team |

*Please note: Currently licensed educators may continue to renew their licenses at the professional stage by completing either a professional development plan or six semester credits of professional development.

**The master educator license is currently available for teachers certified by the National Board for Professional Teaching Standards.

PI 34 will first apply to new teachers who graduate from a teacher education program after August 31, 2004. However, while these rules dramatically shift the licensing process in the direction of emphasizing teacher effectiveness over longevity, there is no link between DPI's new licensing rules and salaries. Changes in state law, such as the repeal of the QEO, are needed to encourage school districts and teacher unions to develop, through collective bargaining, salary structures consistent with PI 34 that meaningfully reward increased staff knowledge and skills development. Further, even if districts and unions reach agreement on innovative compensation

systems that directly reward teachers for improved pupil learning, they may need additional assistance to fully implement these plans. Additional incentives, including state funding for pilot projects, should be available for those districts that agree through collective bargaining to implement a system that provides additional rewards for improved teacher effectiveness and student learning.

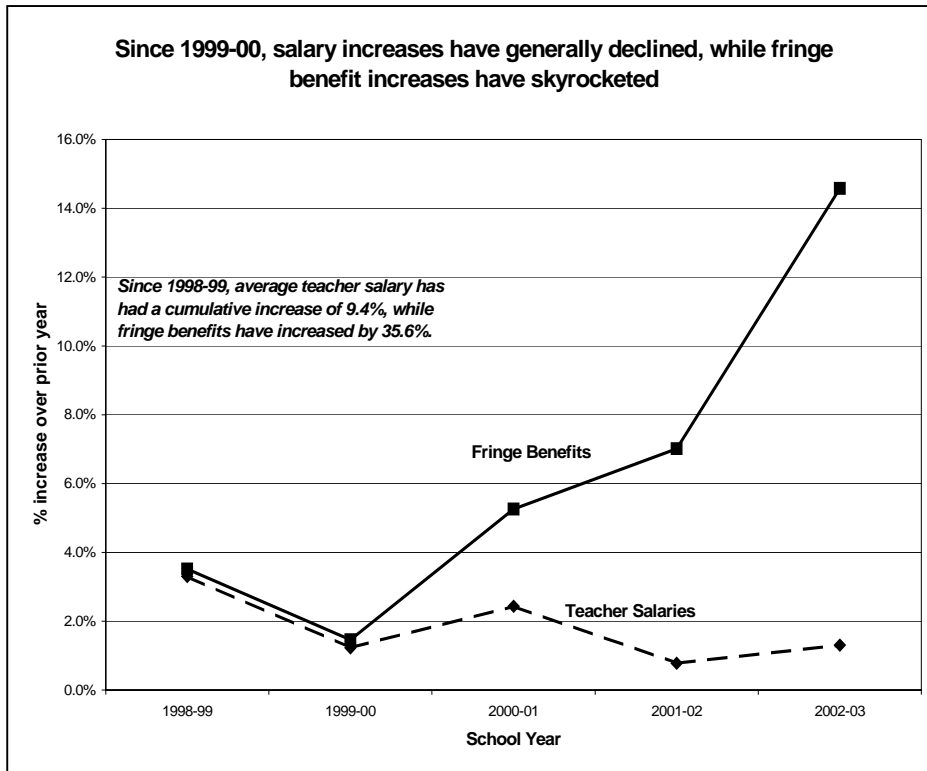
In addition to constraining salary structure changes, the QEO has also inhibited local innovation on health insurance matters. The requirement that districts maintain the existing fringe benefits package, if they choose to impose a QEO, has significantly reduced incentives to bargain alternative health care packages.

According to data from the Wisconsin Association of School Boards comparing health insurance premiums to beginning teacher salaries, the average cost of family health insurance for teachers almost doubled between 1998-99 and 2002-03.

| State Wide Comparison Between BA Base and Health Insurance Increases – Historical | | | | | |
|--|---------------------------------------|---------------------|---------|---------------------|------------------------------|
| Year | Family Health Insurance Premium | Percent Increase | BA Base | Percent Increase | Insurance % of BA Base |
| 1984-85 | 2,016 | | 14,630 | | 13.78% |
| 1985-86 | 2,058 | 2.10% | 15,705 | 7.35% | 13.11% |
| 1986-87 | 2,160 | 4.93% | 16,715 | 6.43% | 12.92% |
| 1987-88 | 2,482 | 14.92% | 17,711 | 5.96% | 14.01% |
| 1988-89 | 2,958 | 19.18% | 18,640 | 5.25% | 15.87% |
| 1989-90 | 3,613 | 22.16% | 19,541 | 4.83% | 18.49% |
| 1990-91 | 4,273 | 18.26% | 20,526 | 5.04% | 20.82% |
| 1991-92 | 4,625 | 8.23% | 21,548 | 4.98% | 21.46% |
| 1992-93 | 4,958 | 7.21% | 22,558 | 4.69% | 21.98% |
| 1993-94 | 5,518 | 11.28% | 23,209 | 2.89% | 23.77% |
| 1994-95 | 5,673 | 2.81% | 23,651 | 1.90% | 23.99% |
| 1995-96 | 5,745 | 1.27% | 24,031 | 1.61% | 23.91% |
| 1996-97 | 6,027 | 4.91% | 24,530 | 2.08% | 24.57% |
| 1997-98 | 6,218 | 3.17% | 25,090 | 2.28% | 24.78% |
| 1998-99 | 6,691 | 11.01% | 25,733 | 2.56% | 26.00% |
| 1999-00 | 7,124 | 6.47% | 26,454 | 2.80% | 26.93% |
| 2000-01 | 8,024 | 12.65% | 27,054 | 2.27% | 29.66% |
| 2001-02 | 9,646 | 20.21% | 27,668 | 2.27% | 34.86% |
| 2002-03 ¹ | 13,022 | 35.00% | 28,296 | 2.27% | 46.02% |
| Avg. - Since 84- | | 11.43% | | 3.75% | |
| Avg. - Since 90- | | 10.96% | | 2.90% | |
| Avg. - Since 93- | | 10.88% | | 2.29% | |
| Aggregate Increase | | 546% | | 93% | |
| ¹ Estimate | | | | | |
| Source: WASB Database – March 22, 2002. | | | | | |

*Note that family health insurance premiums vary significantly among school districts.
These numbers represent averages.*

The increasing cost of health insurance and the concomitant decline in national teacher salary rankings is made clear by comparative data. Census Bureau data, which reports instructional fringe benefit information on a per student, rather than a per teacher, basis, shows Wisconsin consistently ranked between 2nd and 4th between 1992-93 and 2000-01, while its salary ranking has dropped.¹⁷



The Task Force believes that the repeal of the QEO will free teachers and school boards to collectively bargain more meaningful changes in salary structure to reward the teachers' knowledge and skills, and to pursue cost effective innovations in health insurance.

Teacher Recruitment, Retention, and Diversity

Wisconsin also faces serious challenges in diversifying its workforce, recruiting and retaining highly-qualified teachers to teach in high poverty urban and rural areas, and retaining highly qualified teachers in subject areas where teacher turnover is high. A 2002 study on teacher turnover in the Midwest reached the following conclusions about Wisconsin's experience¹⁸:

- 20% of new teachers in Wisconsin left the profession within 5 years;
- 19% left their starting district to teach elsewhere in Wisconsin within five years; and
- Teachers with graduate degrees were significantly more likely to leave teaching.

Further, the researchers' conclusions about specific professional characteristics raise additional concerns:

- Turnover in smaller school districts was nearly 50% after 5 years;
- Teachers are less likely to move out of urban districts and are much more likely to leave low-enrollment, non-urban districts. Among the states studied, this characteristic was

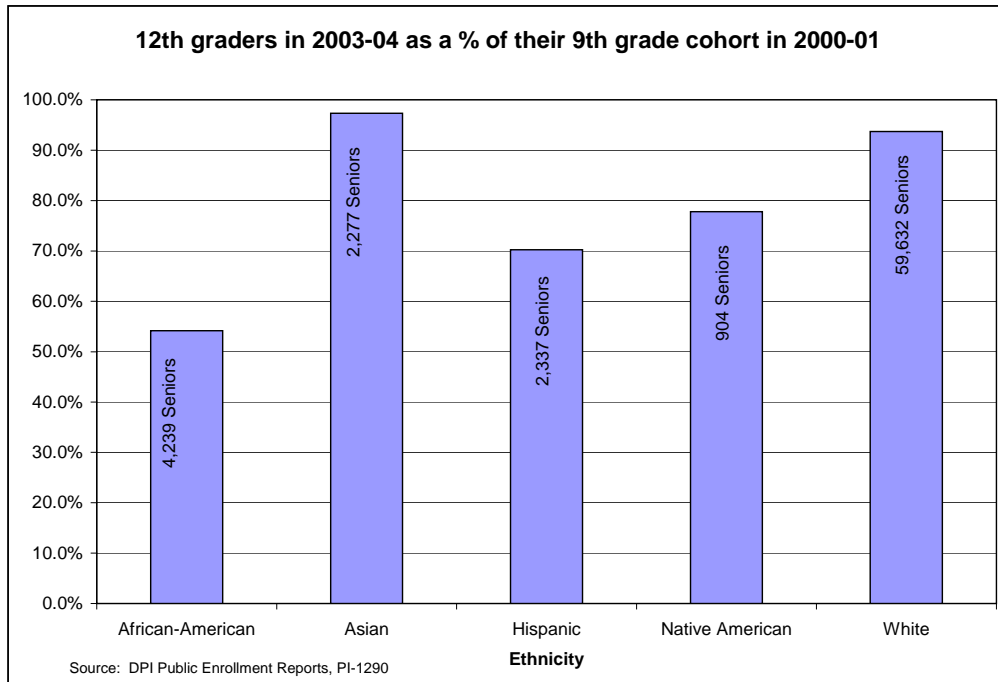
unique to Wisconsin. However, it should also be noted that retention continues to be an issue in Milwaukee, which, according to DPI data, has the 2nd least experienced teaching force in the state. Milwaukee teachers' average total experience of 9.8 years is significantly below the state average of 15.3 years;

- Secondary teachers are more likely than other teachers to leave the profession; and
- Secondary teachers in the arts, science, math, vocational education and foreign language are the most likely to leave teaching altogether.

In addition to staffing under-served areas and subjects, developing a teaching workforce that reflects the diversity of the state's population is of critical importance and is an area where Wisconsin needs dramatic improvement. The disparity between the number of students of color and the number of teachers of color in the current workforce is striking. African American students, for example, comprise 10.5% of Wisconsin K-12 students. African American teachers, on the other hand, comprise only 2.8% of Wisconsin's teaching force. Similar disparities exist for Hispanic, Native American and Asian teachers.

Data from the University of Wisconsin (UW) System, compiled and analyzed by the Wisconsin Department of Administration (DOA), illustrate another difficulty in achieving parity between students and teachers of color. For example, to achieve parity between the percentage of African American teachers and African American students would require an additional 4,600 African American teachers. The sum of all bachelor's degrees awarded to African American students, regardless of major, by the UW System over the 10 year period between 1993 and 2003 equaled only 3,624. As a result, if every African American awarded a bachelor's degree over that period became a teacher, an unrealistic assumption, only about 80% of the need would have been met. By comparison, white students receiving bachelor's degrees over that same period equaled almost three times the number of white teachers.

The problem can be traced back even further. Data from DPI indicate that the number of African American high school seniors in 2003-04 equaled only 54% of this cohort when they were 9th graders in 2000-01. The rates for Hispanic and Native American students are also a cause for concern at 70% and 78%, respectively, while the number of Asian and white seniors exceed 90% of the number for their respective cohorts of 9th graders.



Goals

- Improve student achievement by ensuring that every child and every classroom has a high quality teacher.
- Improve recruitment and retention of high quality teachers by improving teacher compensation.
- Promote the adoption of compensation systems that are based not just on credits earned and years served, but are linked to the acquisition of the knowledge and skills needed to improve teacher effectiveness in the classroom.
- Provide incentives for additional compensation based on improved pupil learning.
- Improve the diversity of Wisconsin's teaching force.
- Connect the best and most experienced teachers with the most challenging teaching experiences, including high poverty urban and rural environments, and the most challenging and understaffed subjects.

Recommendations

- The Task Force recommends that school boards and teachers should give high priority in bargaining to compensation systems that, in a manner consistent with PI 34 or similar structures, reward the acquisition of relevant subject-area knowledge and skills. Linking salary increases to the acquisition of knowledge and skills better achieves the goal of improved teacher effectiveness and student learning than does a system based exclusively on length of service and credits earned.*

Justification: As discussed above, salary increases based solely on years served and credits earned do little to promote and reward direct classroom improvements. The Task Force believes that moving to a compensation system based on the acquisition of knowledge and skills specifically related to the grade levels and subjects taught will achieve greater teacher effectiveness in improving student learning.

PI 34 offers a framework that can be used for salary increases that moves away from a longevity/credits-earned system to a system based on knowledge and skills. At both the professional and master teacher levels, PI 34 explicitly requires teachers to demonstrate the acquisition of relevant knowledge and skills, and improved student learning:

- Under PI 34.18(2)(a)(5), professional educators must complete a professional development plan that demonstrates increased proficiency and which reflects the standards in subchapter II, as appropriate, including an assessment plan that specifies indicators of growth and how meeting the goals improved the educator's professional knowledge *and affected student learning*. (emphasis added)
- Under PI 34.19(2)(d), a candidate for the master educator license shall submit an application to the state superintendent that includes *evidence of improved pupil learning*. (emphasis added)

However, with no link between the PI 34 license stages and collectively bargained salary structures, the potential effectiveness of these rules is seriously compromised. The Task Force believes that school districts and teachers will better serve their students and communities by linking such compensation to the acquisition of knowledge and skills.

Estimated Fiscal Effect: No state fiscal effect.

12. *The Task Force recommends that incentives, including state funding for pilot programs, be available to districts that agree through collective bargaining to implement a compensation plan that is more directly linked to the acquisition of relevant knowledge and skills and demonstrated improvements in pupil learning.*

Justification: In addition to linking compensation to the acquisition of relevant subject area knowledge and skills, the Task Force believes that there should be additional incentives for those districts that agree to implement compensation systems based more directly on pupil learning. For example, the Subcommittee on Teacher Issues heard testimony about experiences in the Plymouth School District, where the teachers and the local board agreed through collective bargaining to implement a voluntary compensation system based on additional teacher knowledge and skills, and impact on pupil learning. Despite developing this innovative compensation system, which has been bargained into the contract, Plymouth has not been able to implement the pay increments because funding is not available without making, what have been deemed to be, unacceptable cuts in other areas. Additional incentives, such as state funding, would allow Plymouth to move forward with this new system.

Another example is the recent agreement between the teacher union and school board in the Denver Public School system (DPS) to develop a Professional Compensation System (ProComp) for its teachers.¹⁹ ProComp, developed by the DPS and Denver Classroom Teacher Association's Joint Task Force on Teacher Compensation, will replace the previous salary structure, based solely on years of experience and graduate credits earned, with a new system. The new system will base teacher pay on a variety of measures of teacher effectiveness, including knowledge and skills, student achievement growth, professional peer and supervisor evaluations, and market incentives such as location, experience, and education level.

In order for Wisconsin to maintain the quality of its future workforce and guarantee its students a bright future, the Task Force believes that Wisconsin must focus more intensively on ensuring that all pupils achieve at high levels. If teachers and school boards in Wisconsin agreed through the local collective bargaining process, as the Plymouth School District did, to work toward systems that promote pupil learning, state-based incentives should be available to allow districts to pilot these innovations. Assistance should be provided wherever possible to encourage the creation of innovative compensation systems that reward teachers for acquiring and implementing the knowledge and skills that have been demonstrated to improve pupil learning.

Estimated Fiscal Effect: Unknown fiscal effect.

13. *The Task Force recommends the creation of a new categorical aid program to help support the shared state and local commitment to providing mentors to new teachers under PI 34.*

Justification: There is general consensus among researchers and practitioners that one of the most important factors in retaining new teachers is appropriate support and mentoring. Research also concludes that this support may be even more critical to retaining new teachers than are salary or other benefits.²⁰ At a time when we need to attract and retain more teachers and expect more from their performance, it is critical that they have the support of colleagues and mentors. PI 34, which was crafted by DPI in partnership with state and local education stakeholders, reinforces this commitment by requiring mentoring for new teachers. The Task Force believes that retaining high quality teachers should be a shared state and local goal, and believes that the cost of mentoring likewise should be shared between state government and local school districts.

Estimated Fiscal Effect: \$5-\$6 million total cost annually. The Task Force recommends that the cost of mentoring be split evenly between state and local funding. Thus, the categorical aid program should provide \$2.5-\$3 million annually toward the cost of mentors under this program.

14. *The Task Force recognizes that increasing health care costs are a national problem that, in combination with the QEO, is having a particularly negative effect on Wisconsin school district budgets. Increasing school employee health insurance costs must be addressed so that funding fringe benefits does not make needed improvements in teacher salaries impossible for districts and their taxpayers. The repeal of the QEO (recommendation #15) is a good first step to empower teachers and school boards to search for more innovative solutions to this problem.*

Bargaining on health care benefits should respect the fact that such benefits have been established through the collective bargaining process, often at the expense of higher salaries. Savings achieved through health care reforms should not be viewed as resources to fill budget gaps, but as resources designated primarily for improvements to teacher salaries (or to meet other mutually agreed upon areas). While health care reforms could provide one source of funds for increasing teacher salaries, they should not be viewed as the only such source.

Justification: The cost of health insurance has increased significantly in recent years for all levels of government and for the private sector. As such, controlling health care costs is a national problem that requires comprehensive solutions. Without the chilling effect of the QEO, there would be greater incentive to control school district health insurance costs in the course of the collective bargaining process.

Additionally, under the structure of the QEO, health insurance increases will eventually devour teacher salaries. If, for example, health insurance premiums increase by an average rate of 20% annually, by 2017 a school district paying an average school teacher salary (\$45,000) could theoretically meet the QEO by reducing the salary to \$0 and paying only health insurance premiums. If rates increase by 25% (the approximate rate of increase in FY03), that point would be reached in 2014.

It is clear that, under the current system, health insurance costs will continue to consume an increasing share of school district budgets, thereby limiting teacher salaries and forcing cuts in other areas of the district's budget, including instruction.

Estimated Fiscal Effect: No state fiscal effect, and an undetermined local fiscal effect.

15. *The Task Force recommends repeal of the current QEO law because it is not having a positive effect on the educational environment. As the Task Force's recommendations on teacher compensation systems and health insurance indicate, the QEO repeal recommendation is also made, in substantial part, with the expectation that such repeal will free teachers, administrators, and school boards to engage in the creative collaboration necessary to address salary structure (recommendations and #11 and #12), health insurance (recommendation #14), and appropriate incentives to foster student achievement in light of 2004-05 educational and economic realities.*

The Task Force further recommends that all non-QEO portions of Chapter 111.70(4)(cm)(7) continue as currently stated if revenue caps continue to exist.

Justification: Most teachers, school administrators, and school board members agree that the QEO law has seriously eroded teacher morale, because it applies only to school district professional employees and restricts local collective bargaining. The QEO law has contributed to Wisconsin's current position as the least competitive of the Great Lakes states in starting and average teacher salaries. The combination of increasing teacher retirements and constrained salaries creates conditions that could easily lead to diminishing instructional quality at a time when our economic future depends on a highly educated work force.

Given Wisconsin's teacher shortages in hard-to-staff schools and subject areas, as well as the upswing in teacher retirements, Wisconsin must do all it can to increase the number of qualified individuals seeking to become teachers, and to keep more of the qualified individuals who have already entered the profession. The effects of the QEO on morale and salary may adversely affect our attempts to attract new teachers to the profession and to keep qualified teachers in the classroom. The QEO has also impaired the ability of school boards and teachers to collectively bargain innovative approaches to salary structures and other compensation items, which may promote greater teacher effectiveness.

Some have argued that a mismatch exists between the allowable per pupil revenue limit increase, which averages 3%, and compensation increases under the QEO, and that this

mismatch will only be exacerbated if the QEO is repealed. However, the Task Force believes that this concern is unfounded given the criteria arbitrators must consider in evaluating final offers.

When revenue caps were created in the 1993-94 legislative session, new arbitration criteria were also enacted to give greater weight to local economic conditions and greatest weight to the revenue caps. Under section 111.70(4)(cm) of the Wisconsin statutes, the greater and greatest weight factors are as follows:

‘Factor given greatest weight’ - *In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give the greatest weight to any state law or directive lawfully issued by a state legislative or administrative officer, body or agency which places limitations on expenditures that may be made or revenues that may be collected by a municipal employer. The arbitrator or arbitration panel shall give an accounting of the consideration of this factor in the arbitrator's or panel's decision.*
(111.70(4)(cm)7)

‘Factor given greater weight’ - *In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give greater weight to economic conditions in the jurisdiction of the municipal employer than to any of the factors specified in subd. 7r.*
(111.70(4)(cm)7g)

In other words, in evaluating final offers, an arbitrator must first consider the impact each offer would have on the district's ability to comply with revenue limits and next consider the district's economic conditions in general. These factors were significant in the Task Force's conclusion that repealing the QEO would not return Wisconsin to the situation that existed prior to August 1993, where rapidly escalating teacher salaries led to the creation of the QEO. Since the adoption of the QEO law, only two contracts have been arbitrated. These two examples do not provide enough information to reach a conclusion on how arbitrators would weigh these arbitration criteria in their decisions. Though a repeal of the QEO will likely to lead to an increased number of arbitrations, these criteria should help to mitigate concerns that arbitrator rulings would ignore a district's ability to pay.

Estimated Fiscal Effect: Unknown fiscal effect.

16. *The Task Force finds that teacher recruitment, particularly of minority teachers and to under-served geographic regions and understaffed content areas, is a serious problem, and recommends that more must be done to attract teachers to the profession. Options to improve teacher recruitment include:*
- (a) Repeal of the QEO (Recommendation #15);*
 - (b) Establishment of Knowledge and Skills Based Compensation systems that provide greater salary incentives to both younger teachers and master teachers. (Recommendations #11 and #12);*
 - (c) Support for PI 34, including financial support for mentoring. (Recommendation #13);*
 - (d) Establishment of a statewide teacher cadet program;*
 - (e) Expansion of future teachers clubs, and distributive education (work-study) and youth apprenticeship programs that expose high school students more directly to the teaching profession; and*

(f) Exploration of loan forgiveness plans or financial incentives that have a proven effect.

Justification: Recruiting and retaining education professionals is critical to student performance, though the data on programs that are successful in recruiting and retaining teachers are not as clear-cut as the data illustrating the challenges. While many reviews of the research on retention have found promising results for certain strategies, most acknowledge the difficulty of finding strategies to recruit and retain high quality teachers in challenging assignments when competition for their skills exists both inside and outside the teaching profession.²¹

In general, research suggests that programs fostering a consistently supportive environment for teachers work best for recruiting and retaining teachers. One-time incentives, such as signing bonuses, may be effective in generating initial interest, but the research indicates these approaches alone are not effective in retaining teachers. Strategies that have demonstrated some success include:

- Providing career ladder opportunities, such as the structure established by DPI's PI 34 licensure rules, which encourage teachers to remain in the classroom through the attainment of Master Educator status.
- Creating mentoring programs to provide support and professional development opportunities to new teachers. A comprehensive review of the research on mentoring programs by the Education Commission of the States concluded that "collectively the studies do provide empirical support for the claim that assistance for new teachers and, in particular, mentoring programs have a positive impact on teachers and their retention."²² Mentoring programs generally assign an experienced teacher to work closely with new teachers during their first year or two in the profession. A good example of an effective beginning teacher program is Connecticut's Beginning Educator Support and Testing (BEST) Program, which provides a comprehensive program of mentoring, beginning teacher clinics and content-specific seminars.
- Providing ongoing salary incentives to teach in high need areas. New York State has recently implemented salary incentives for teachers to teach in New York City schools, while California has implemented an income tax credit program for teachers that bases increases on their length of service.

Estimated Fiscal Effect: Unknown. The fiscal effect depends on the solutions pursued. Of the options listed above, option (d) would cost approximately \$130 per student, used primarily to train teachers and provide course materials.

17. *The Task Force finds that the number of minority teachers in Wisconsin is far too low and recommends greater attention by policymakers to improving the diversity of Wisconsin's teaching workforce. Strengthening efforts to increase the number of minority group high school and college graduates is a critical component in this effort. In addition to the options mentioned above, other options to improve the recruitment of minority teachers include:*
- (a) *Exploring forgivable loans for undergraduate minority teacher education students attending a UW System institution, with a particular focus on UW-Milwaukee (UWM); and*

- (b) *Considering the creation of a separate category under the Minority Precollege Scholarship program for students who participate in eligible precollege programs related to careers in teaching.*

Justification: The disparity between the number of students of color in Wisconsin's public schools and the number of teachers of color is striking. However, the problem of increasing the diversity of Wisconsin's teaching workforce extends well beyond simply encouraging more minority college students to enter the teaching profession. Other efforts to increase the number of teachers of color are doomed to fail unless high school and college graduation rates among students of color are addressed, as well.

The Task Force finds that a multi-faceted approach, focusing on increasing the number of minority high school graduates and the number of minority students entering and completing college, and recruiting highly-qualified minority students into the teaching profession, holds the best promise to improve diversity in Wisconsin schools.

Estimated Fiscal Effect: Unknown. The fiscal effect depends on the solutions pursued.

18. *The Task Force finds that teacher retention is a serious problem, particularly in certain high poverty and/or rural districts and in certain core subject areas. In addition to the recommendations listed above relating to the repeal of the QEO, salary structures based on the acquisition of knowledge and skills and improved pupil learning, and support for PI 34, the Task Force recommends exploring additional options to retain high quality teachers, and to link them with the most hard-to-staff classrooms and subject areas, including:*
- (a) *Expanding the current state program which awards \$2,500 annual grants to teachers who receive National Board of Professional Teaching Standards certification to include teachers who receive the master educator's license under PI 34;*
 - (b) *Providing a state-funded grant so that master educators in schools with greater than 50% low-income enrollment can serve as resources to students, staff and the community; and*
 - (c) *Creating a specialty within the master teacher license category for teaching in high poverty urban and low enrollment rural districts.*

Justification: The data on teacher retirement and teacher retention clearly indicate that teacher retention is one of the greatest problems facing Wisconsin school districts, particularly in certain hard-to-staff schools and subject areas. In general, the research cited earlier, as well as experience, suggest that, with the important exceptions of improving diversity in the teaching force and addressing certain specific recruitment needs (e.g. special education, subject area teachers for isolated rural districts), retaining teachers is a bigger challenge than recruiting teachers. The Task Force believes that more incentives, such as those listed above, must be created to encourage the most highly qualified and highly trained teachers to assist the struggling students, schools, and districts that need them the most.

Estimated Fiscal Effect: Unknown. The fiscal effect depends on the solutions pursued. Of the options listed, option (a) would be estimated to cost \$187,500 in the first year, and an additional \$62,500 per year thereafter.

19. *The Task Force recommends the creation of a state-based grant program for high poverty, low achieving public middle and high schools to attract and retain highly qualified teachers. The grant, which would promote innovative teacher recruitment and retention strategies*

aimed at improving student learning, would be awarded by DPI for a period of five years. Applicants would be required to demonstrate that they experience problems in attracting and retaining high quality teachers, and would be required to use research-based methodologies in their proposal to address these problems. Recipients would be required to submit annual evaluations to DPI on project outcomes, including teacher retention rates, student test scores, attendance rates, graduation rates, and other educational outcome measures. Schools eligible for the grant must be both high poverty and low achieving, and must have been identified for improvement under federal law for more than two years. The grant program would be limited to 30 schools, of which at least 10 must be in MPS.

Justification: The Task Force believes that Wisconsin must do more to improve the achievement levels of students in high poverty, low achieving schools, and recognizes that one of the best ways to accomplish these goals is to link students with a highly qualified, highly trained teacher. While the SAGE categorical aid program currently reduces class size to improve the student/teacher ratio for students in K-3, no such program exists to link economically disadvantaged students in middle and high school with the highest quality teachers.

This recommendation is focused on attracting and, more importantly, retaining high quality teachers to low performing, high poverty urban schools. The Task Force recognizes that these schools are too often revolving doors for new teachers, who may lack the experience and the support necessary to succeed in their new roles. This constant rotation of teachers puts students, many of whom are low-income and minority, at a significant disadvantage, particularly as they begin more difficult and complex middle and high school curriculum that puts a premium on a highly skilled, highly trained teacher.

Estimated Fiscal Effect: Unknown. The fiscal effect depends on a number of factors, including the level of funding desired. To the extent that state funds are limited, private gifts or foundation grants could be sought.

III. Investing in Early Childhood Education

Problem: Wisconsin has a long and proud tradition of providing early childhood services. For nearly 130 years, parents in many parts of the state have had access to publicly funded 4 year-old kindergarten (4K). Despite our proud history, far too many of Wisconsin's youngest children do not have access to the kind of high quality early care and education services they need to be successful in school and life.

Educating a child is one of the most important and complex challenges for parents, caregivers and policymakers. Research clearly demonstrates the benefits of high quality early care and education services. Recent studies have found that 85% of a child's core brain structure is formed by age 3.²³ As a result, the quality of early life experiences is key to a child's growth into a healthy and productive member of society. This research also suggests that children are not born "hard wired" to succeed or fail. Researchers have also concluded the following:²⁴

- All children are born wired for feelings and ready to learn;
- Early environments matter, and nurturing relationships are essential;
- Society is changing, and the needs of young children are not being addressed; and

- Interactions among early childhood science, policy and practice are problematic and demand rethinking.

While the brain research is compelling, social science research that assesses the lasting impact of early interventions is also significant. A research consensus is growing around the belief that high quality early care and education programs can and do have a positive, life-long impact on the lives of children. Researchers at the Federal Reserve Bank of Minneapolis found that “dollars invested in early childhood development yield extraordinary public returns.”²⁵ By using data from the High/Scope study of the Perry Preschool in Ypsilanti, Michigan, the researchers calculated that each dollar of investment in early childhood generated \$8 in benefits. In summing up their research, the Federal Reserve Bank economists stated that investments in early care and education constituted a “good buy” for society that generated rates of return far greater than most if not all other types of public investments.²⁶

Wisconsin is beginning to see returns from our current investments in early childhood education programs, such as 4K. In the last five years, the Wausau School District has experienced a 25% reduction in the number of students identified with learning disabilities at the elementary level, in part due to its 4K program and other community early intervention efforts.²⁷ High quality early care and education programs, like 4K, can help reduce the need for special education services by identifying problems early so that they can more easily be addressed.

Wisconsin, like most other states, does not adequately meet the needs of our youngest children. Far too many children are left daily in the care of under-trained, poorly paid, and over-worked adults who are currently unable to help the children they care for meet their full potential. Although there are many high quality providers of early care and education in this state, these providers tend to be the exception and not the rule, as demonstrated by the following examples.²⁸

- As of June 2003, only 9% of child care centers in Wisconsin, and even fewer family child care homes were nationally accredited;²⁹
- Only approximately 45% of school districts provide 4K programs, and only 23% of eligible children are served in 4K programs;
- The annual turnover rate among child care teachers was 41% in 2002-03;
- 75% of people who work with young children have less than a 2-year technical college degree; and
- 73% of child care workers earn less than \$9/hour.

As these problems demonstrate, Wisconsin’s working families face serious challenges in ensuring that their children are receiving the best possible early care and education for their future growth. More must be done to improve access to early childhood education, improve the affordability and quality of the services provided, and enhance collaboration among state and local partners.

Wisconsin families need more early care and education opportunities for their young children below mandatory school attendance in 1st grade. Wisconsin is not unique in this regard, as many states are struggling during difficult budget times to provide sufficient access to the complete array of child care and preschool programs needed by today’s working families.

Further, for far too many families, the cost of high quality early care and education services is simply too high. Affordability is particularly problematic for families whose incomes exceed child care/Head Start subsidy guidelines, and whose communities do not currently offer preschool services through their public school systems. Even while basic child care services may be available in a community, too few child care providers offer affordable, *high quality* care for

children under the age of 5. Very few incentives currently exist to encourage and reward providers who go beyond basic licensure requirements to offer exceptional early care and education services.

Another problem plaguing Wisconsin's system of early childhood is its complexity. On the local level, there are multiple programs including for-profit child care, non-profit child care, family child care, Head Start, programs for children with disabilities, and school district four- and five year-old kindergarten. This convoluted system is often intimidating to parents who must navigate red-tape and confusion to find the best program for their children. Increased collaboration is necessary at both the local and state level to streamline common efforts to promote the most high quality environments for children and the most seamless system for parents. Many Wisconsin communities have already established successful collaborative "community approaches" to address these issues, but far more communities must work toward this goal.

Goals

- Ensure universal access to high quality, early care and education programs that meet the needs of Wisconsin families.
- Ensure that no parent has to trade-off their child's future against other key household expenses because the cost of child care/preschool is too high.
- Raise the overall quality of early care and education in the state.
- Encourage collaboration and service integration at both the state and local level, which will result in better use of scarce resources, as well as a less complex and confusing system of care for families.

Recommendations

20. The Task Force recommends maintaining the state's commitment to 4K.

Justification: The Task Force strongly believes that Wisconsin's hallmark 4K program is the centerpiece of the state's early care and education system. Wisconsin established its first public kindergarten over 130 years ago, and the state has remained a national leader in early childhood education ever since. In fact, Wisconsin is one of only two states to incorporate funding for 4K into its school finance formula.³⁰

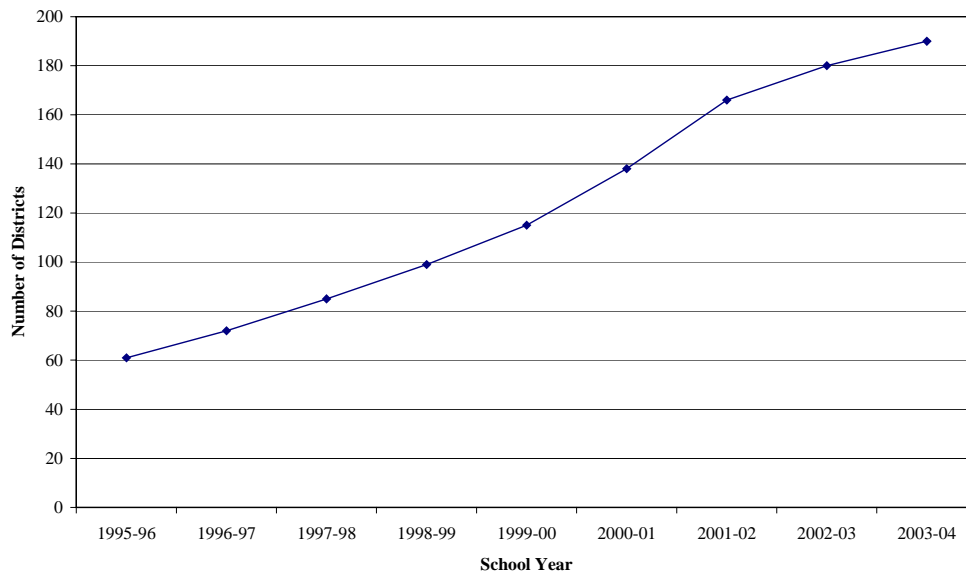
In recent years, however, there have been repeated attempts to cut or completely eliminate state funding for 4K programs. Uncertainty over the future of 4K funding has discouraged some Wisconsin school districts from implementing new 4K programs. If this critical funding was cut, access to affordable early care and education in Wisconsin would be dealt a serious blow. The Task Force believes that full funding should be maintained, and that attempts to eliminate this vital part of the state's early care and education system must be resisted.

Estimated Fiscal Effect: Additional funds beyond the current state funding commitment will likely be needed over time as more programs come on line and per pupil spending increases.

21. The Task Force recommends the creation of a state grant program to help cover the implementation costs of 4K.

Justification: The program will help school districts currently struggling to implement 4K programs. While the number of districts that offer the program has grown in recent years, far too few families still do not have access to 4K. Several districts around the state, including Madison and Green Bay, that have expressed interest in 4K have not been able to move forward because it takes three years to get full funding (under existing revenue limits) for the program. This grant program will help expand access all across the state as well as address affordability concerns since these programs are free for parents.

Number of School Districts Offering 4K Programs



Source: Department of Public Instruction

Estimated Fiscal Effect: \$3 million- \$4.5 million, depending on the amount and number of grants awarded.

22. *The Task Force recommends providing an additional 0.1 FTE of funding for each 4K student in school districts that adopt “community approaches” to early care and education.*

Justification: The Task Force firmly believes in the need to build on the strengths of the current early care and education system and to involve all different types of care providers in the solution for universal access. “Community approaches” integrate the efforts and funding sources for multiple types of early care providers so that more children can be served and so that the overall quality of each provider can be enhanced.

Under this proposal, districts could receive an extra 0.1 FTE of funding (for a maximum of 0.7 FTE) if they adopt a community approaches plan. DPI would certify that a district’s 4K implementation plan included input from a wide-range of providers and that the proposal is consistent with the goal of building on existing strengths and addressing shortfalls in early childhood services. This recommendation addresses both the need to expand access as well as the need to encourage greater collaboration at the local level.

The La Crosse and Wausau School Districts are prime examples of how a “community approach” can help make universal access to early childhood services a reality. As the state continues to promote these approaches, special attention must be paid to:

- Maximizing existing funding at the local level such as the Head Start State Supplement and the Wisconsin Shares program;
- Promoting collaborative approaches to parental outreach; and
- Implementing mechanisms to involve child care, Head Start, and kindergarten teachers in common training and professional development activities.

Estimated Fiscal Effect: For every 10% of districts that adopt community approaches, the increased enrollment count included in this recommendation would provide additional revenue limit authority of approximately \$500,000 in Year 1, \$1 million in Year 2, and \$1.5 million in Year 3.

23. *The Task Force recommends providing 1.0 FTE funding for full-day 4K programs which incorporate both parental involvement and community approaches.*

Justification: 4K programs provide high quality early care and education services and, when matched with “community approaches”, can serve as the centerpiece of an effective universal system of early care and education. Current law provides an additional 0.1 FTE of funding to 4K programs that incorporate significant parent outreach components into their program. In addition, full-day 4K programs that are provided in collaboration with other child care providers can more fully meet the needs of young children, especially in low income areas. Working parents need child care options that extend through out the work day and additional funding for community approaches to 4K would help ensure that parents can access these kinds of programs.

In summary, the Task Force recommends the following funding levels for 4K programs:

- Base Level of Funding = 0.5 FTE (basic half day program)
- Parental Involvement = 0.6 FTE (compliance with current law requirements)
- Community Approach = 0.7 FTE (adopt a community approaches plan)
- Full Funding = 1.0 FTE (for eligible districts that implement full-day 4K and adopt community approaches plans approved by DPI and include parent involvement requirements.)

Estimated Fiscal Effect: For every 1,000 students served by a district implementing a full-day 4K program, the increased enrollment count included in this recommendation (exclusive of the additional 0.1 FTE provided for community approaches in Recommendation #22) would provide additional revenue limit authority of approximately \$800,000 -\$1 million in Year 1, \$1.5-\$2 million in Year 2, and \$2-\$3 million in Year 3. Under the equalization aid formula, districts that implement a full-day 4K program would receive state equalization aid to offset a share of these additional costs in the future.

24. *The Task Force recommends restoration of funding for the T.E.A.C.H. Early Childhood® and REWARD programs that promote high quality care through the professional development of child care professionals.*

Justification: Well-trained teachers improve student achievement. A number of studies demonstrate that early childhood teachers with bachelor's degrees and specialized training in child development raise program quality and result in better outcomes for children. Currently, 75% of the people who care for young children in Wisconsin have less than a 2-year technical college degree. In order to improve the quality of care provided in Wisconsin, ways must be found to train more child care professionals so that they have the necessary skills to care for the state's youngest children.

T.E.A.C.H. Early Childhood® is a scholarship program that helps early childhood professionals get credentials in their particular area of work. REWARD provides stipends directly to teachers and other providers based on their current level on the Registry Career Ladder. Both programs promote child care professional development and child care quality by improving teacher skills and reducing teacher turnover. By restoring funding to these essential programs, Wisconsin will see an increase in the number of highly trained child care professionals.

Estimated Fiscal Effect: \$3.3 million annually.

25. *The Task Force recommends maintaining full funding of the Wisconsin Shares Program, which provides child care subsidies to low-income families.*

Justification: In May 2004, Wisconsin Shares assisted more than 30,000 low-income families with child care, and served more than 53,000 children.³¹ Furthermore, two out of three Shares participants are under the age of 6.³² Unlike many states, Wisconsin does not currently have a waiting list for child care subsidies. Wisconsin's success at addressing the current demand for services stands in stark contrast to other states that have been forced to establish waiting lists or reduce subsidy amounts in order to address budgetary realities. Continued funding of Wisconsin Shares, which totals nearly \$300 million annually, is vital for thousands of Wisconsin families who rely on the child care subsidy to secure access to affordable child care for their children.

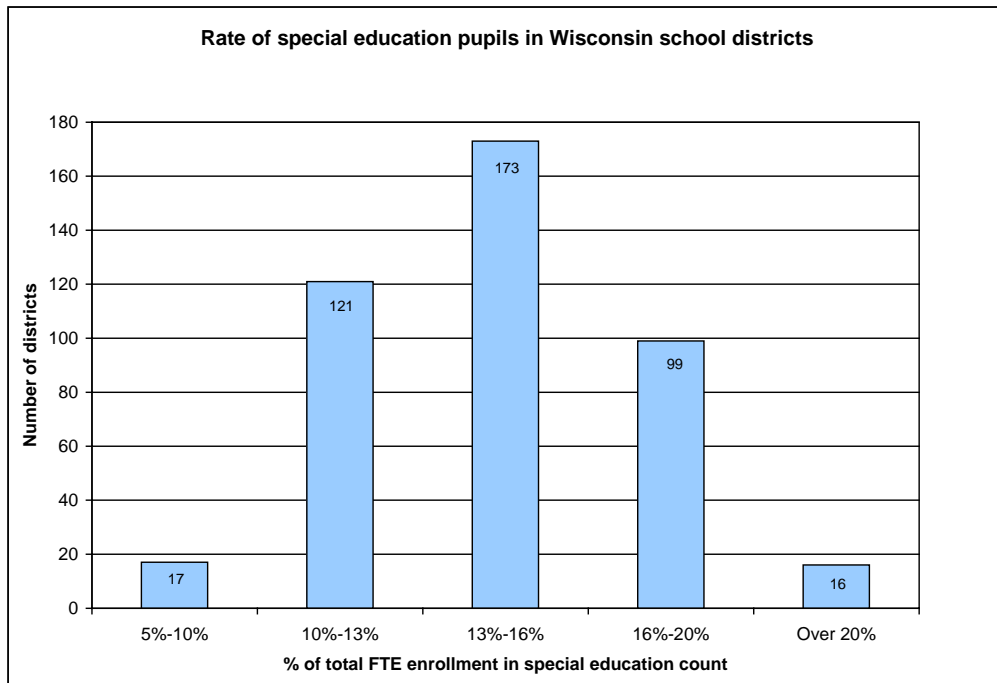
As part of his KidsFirst Initiative,³³ Governor Doyle recently announced a plan to provide quality rankings for child care centers. Governor Doyle's initiative proposes, in coordination with the completion of the quality ranking system, the development of a tiered reimbursement system under which high quality programs will receive higher Wisconsin Shares reimbursements. Such a system, which must be crafted in collaboration and cooperation with child care providers, will create significant incentives for quality and will reward those centers which are providing our children with the best opportunities. Tiered systems are operating in some fashion in thirty-four states.

Estimated Fiscal Effect: No additional funding beyond the current state funding commitment is required for this recommendation. However, if demand continues to grow and if federal funding does not keep up, additional state funds may be necessary.

IV. Special Education

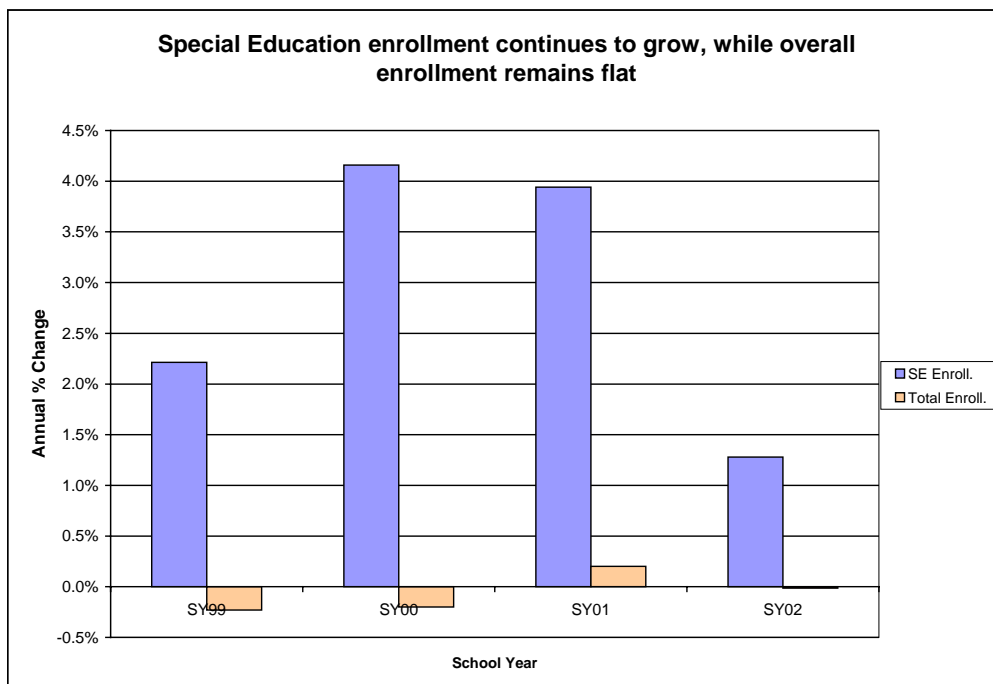
Problem: Every school district in Wisconsin faces the challenges and experiences the rewards of providing a sound, basic education to children with disabilities. According to DPI data, over

126,000 students received special education services in 2001-02, with the majority of districts having between 10% and 16% of their pupils receiving special education services.



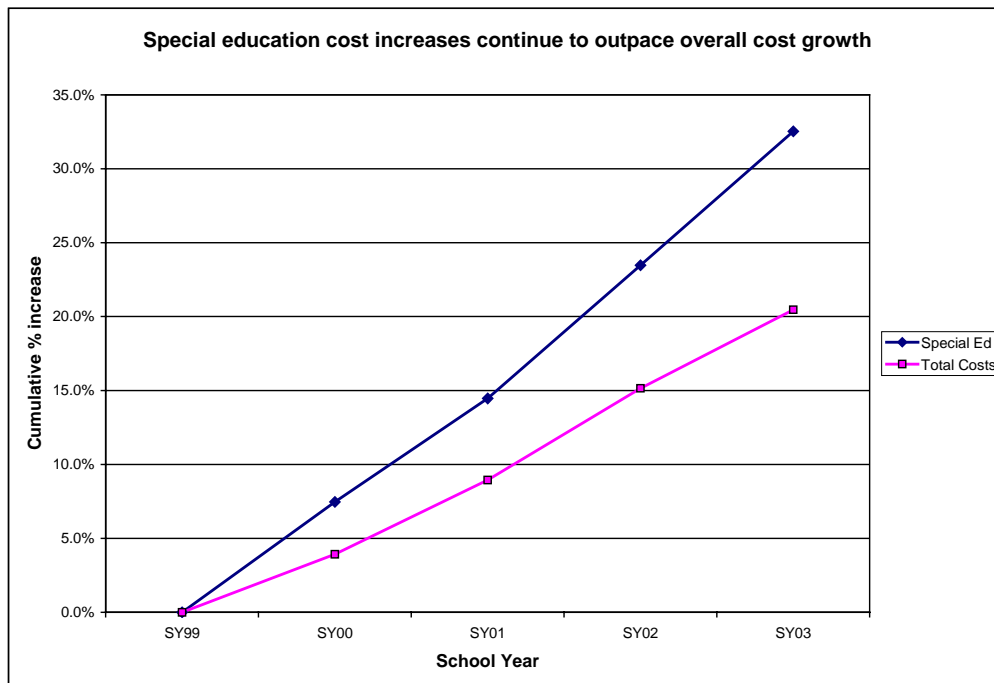
Source: Department of Public Instruction

While overall statewide pupil enrollment has remained virtually flat (and is expected to decrease over the next decade), special education enrollment continues to grow.



Source: Department of Public Instruction

Further, the demographics of special education make its costs a rising portion of many districts' budgets.



Source: Department of Public Instruction

Rising special education costs are creating tension between funding for regular education programs and funding for special education programs. The percentage of state reimbursement of special education costs (from the state's special education categorical aid) has dropped from 60% in 1989-90 to approximately 30% in 2003-04, requiring districts to fund a greater portion of special education costs from their general program funds. The problem is compounded by the failure of the federal government to fulfill its commitment to fund 40% of average per pupil costs.

In addition, special education costs, particularly those associated with high-need, low-incidence children with disabilities, have a serious effect on the budgets of smaller school districts. Smaller school districts with smaller budgets, as well as other districts that establish special education programs that attract more families, are uniquely affected by the insufficient amount of funds provided to them under current law.

Goals

- Reduce competition between regular education and special education for scarce financial resources.
- Reduce the financial effects of high-need/low-incidence special education students on school district budgets.
- Promote better understanding and awareness of the special education process.
- Promote greater integration and streamlining of services for children with disabilities across state and local governments.

Recommendations

26. *The Task Force recommends the creation of a new categorical aid program to reimburse school districts for otherwise non-reimbursed costs, above a specified base level, for High-Need/Low Incidence special education students.*

Justification: Providing quality services to high-need and high-cost special education students is critical to their development. However, providing these services can place severe strain on a school district's budget. Further, state and federal requirements obligating school districts to direct resources toward high-cost special education services can divide school communities over the reallocation of resources away from general education programs.

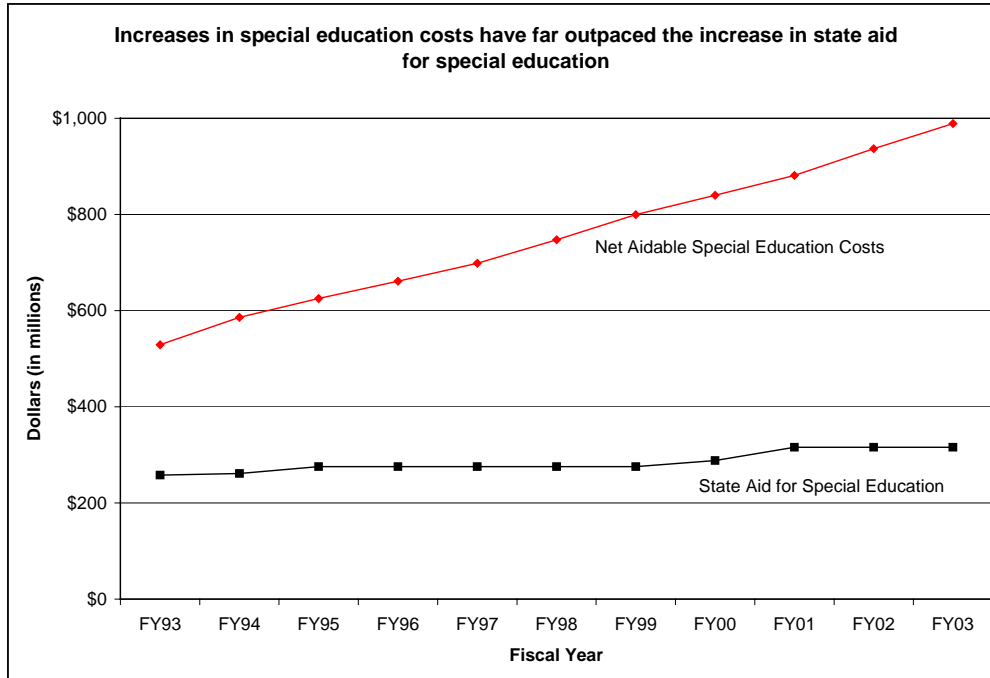
In June 2004, State Superintendent Burmaster announced that DPI was allocating \$2 million in discretionary federal funds to partially reimburse school districts that provide special education and related services that exceed \$30,000 for an individual student. Over 135 school districts, 3 Cooperative Educational Service Agencies (CESAs), and 3 county Children with Disabilities Boards (CDEBs) reported a total of approximately 390 students that qualified for these funds.

The Task Force believes efforts like the Superintendent's must be supported and expanded to ensure sufficient funding for school districts charged with educating high-need/low incidence special education students. Adequately funding these critical needs will go a long way toward ensuring quality educational opportunities for all children. Further, sufficient funding for these children with disabilities will provide much needed financial assistance to smaller schools whose budgets are significantly affected by the enrollment of even one high-need, low-incidence special education child.

Estimated Fiscal Effect: The eventual cost of this proposal could range from approximately \$4 million to \$10 million per year. The cost will depend on the threshold chosen for the categorical aid to fund. If a higher or lower level is chosen, the costs will increase or decrease accordingly. Furthermore, the Task Force recommends that new money be allocated for this categorical aid program, rather than a reallocation of existing special education funds.

27. *The Task Force recommends substantially increasing the state's special education categorical aid.*

Justification: The percentage of special education aided by the state's categorical grant has declined by half, from 60% in 1989-1990 to only 30% in 2003-04. While the categorical aid was modestly increased by \$5.8 million in the 2003-05 biennial budget, this was the first increase since 1999-2000.



Source: Department of Public Instruction

While funding has been relatively stagnant in recent years, the number of special education students identified and the costs associated with educating them continue to grow faster than overall district costs. This funding situation requires districts to divert resources, including state equalization aid and local funds, to special education students and away from regular programming. Under revenue caps, funding special education becomes essentially a zero-sum proposition; the needs of special education students are pitted against those of other students.

Providing additional funds to this categorical aid will help reduce competition for scarce dollars between regular education and special education programs, and will help to ensure quality programming in both areas. The current system of equalization aid and revenue controls disregards the extra costs associated with providing children with disabilities a sound, basic education. Increasing this categorical aid also responds to the State Supreme Court directive under *Vincent v. Voight* that state aid take into account school districts with disproportionate numbers of special education students.

Estimated Fiscal Effect:, the following are examples of the cost of specified percentage increases in the special education categorical aid program:

- 5% increase in categorical funding (would bring reimbursement level to roughly 32% in FY06) = \$16-\$17 million GPR;
- 10% increase in categorical funding (would bring reimbursement level to roughly 34% in FY06) = \$32-\$34 million GPR; and
- 15% increase in categorical funding (would bring reimbursement level to roughly 38% in FY06) = \$48-\$50 million GPR. While the Task Force elected not to select a specific funding target, the Task Force suggests that the 15% increase would be the most desirable.

28. *The Task Force recommends that state agencies conduct an assessment of the use of existing state resources in the areas of education, health, and school-to-work programs as they apply to individuals with disabilities and that state agencies be directed to develop a streamlined, non-duplicative process for the provision of services to such individuals. Further, the Task Force recommends directing state agencies to engage local governments and school districts to seek greater collaboration to streamline existing efforts.*

Justification: This recommendation will help to ensure that the state provides services to individuals with disabilities in a coordinated fashion that is easily understood and utilized by citizens participating in the process, and further promotes a greater state-local partnership and coordination in the provision of services to students with disabilities.

Estimated Fiscal Effect: Minimal state and local fiscal effect.

Section 2

Promoting School Funding that is Adequate and Equitable for Wisconsin's Children and Taxpayers

Governor's Charge: *Review how the state funds education through a combination of state and local taxes, and make recommendations regarding what proportion of these two taxes is fair and reasonable to fund public education. In making recommendations, consider the constitutional requirement for equal opportunity, local control in decision making, and the effect of financing systems on property and other tax rates.*

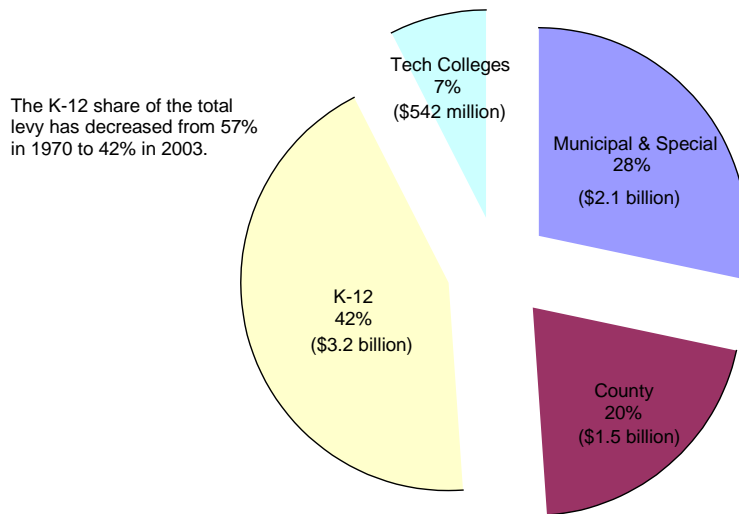
Study and make recommendations regarding the cost of providing a great education to every child in Wisconsin and determine the level at which Wisconsin citizens are prepared to fund that education.

I. State and Local Taxes as a Part of School Funding

Problem: Wisconsin's higher than average property taxes have understandably led to consternation among homeowners over their rising tax bills. Since the property tax in Wisconsin, as in most other states, is a significant source of funding for public schools, property taxes can create a dangerous tension between the shared goals of high quality public schools and taxpayers' ability to pay. Taxpayer support for efforts to improve education may be undermined by the calculus of their direct effect on their own property tax bills.

The property tax is the single largest source of revenue for funding state and local government in Wisconsin. In FY03, nearly \$7.3 billion in property taxes was collected in Wisconsin with 99% of those revenues going to fund local government. The biggest recipient of property taxes is the public school system. In FY03, nearly 42% of all property tax revenue was used to fund public education. Despite past efforts that succeeded in reducing school district reliance on property taxes from 55% of the state/local school funding mix in 1986-87 to one-third on 2002-03, the level of property taxes remains a sore point among Wisconsin residents.

In 2003, Public School Property Taxes Comprised 42% of the Total Gross Property Tax Levy



Source: Department of Administration

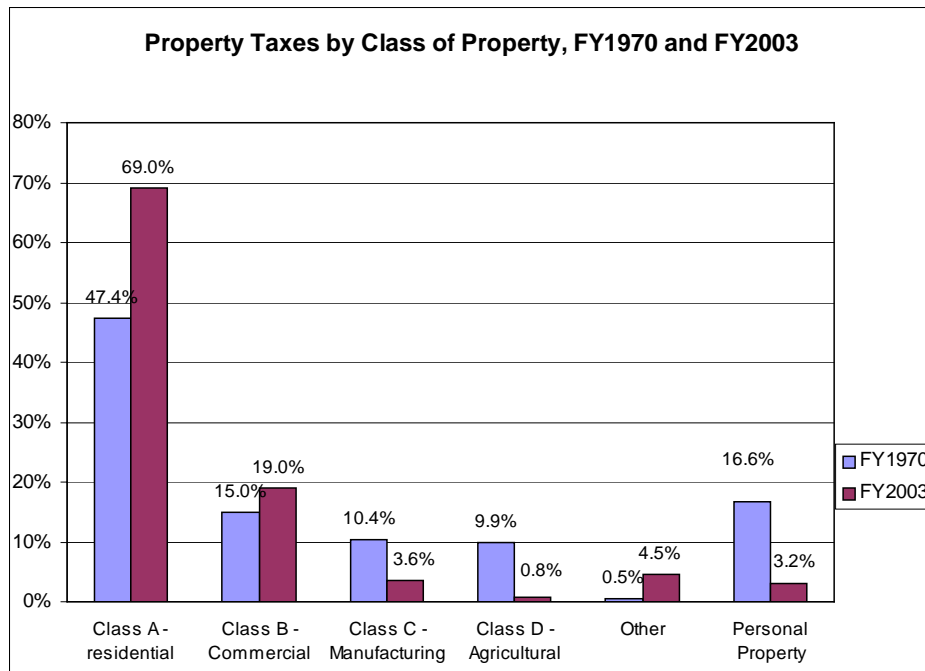
In Wisconsin, the conviction that property taxes are high is affirmed by national rankings. In 2000, Wisconsin ranked 11th among the states in property taxes as a percentage of personal income. In contrast, Wisconsin ranked 31st out of 46 states that levy a sales tax in terms of the amount of sales tax paid as a percentage of personal income.³⁴

Historically, property taxes have been considered a fair and simple means of paying for local public services. In the 19th Century, when the United States was still firmly rooted in an agrarian economy, property was a primary source of income for many families, and an accurate measure of ability to pay for public services, including education. In an agrarian society, the relative wealth of citizens is visible – land and buildings cannot be hidden – so it was relatively easy to ensure that individual taxpayers paid their fair share of the cost of public services. Land was fixed and finite and could be easily measured and valued by local and state officials.

Over time, however, the link between property wealth and overall wealth has diminished. As society became urbanized, income incrementally replaced property as a measure of ability to pay for public services. Today, citizens' ability to pay for public services is better reflected by their wages, salaries, and financial assets (such as stocks and bonds) than by the value of their home. This evolution in the national economy has helped fuel a popular perception that the property tax is no longer fair because the amount one pays is not really based on income or ability to pay.

Further exacerbating the perception that property taxes are not fair is that an increasing share of the property tax is now borne by residential property owners. According to data from the Department of Revenue (DOR), in 1970, residential property owners paid for less than 50% of the property tax. By 2003, that percentage has climbed to nearly 70%. Reasons for this dramatic increase include the following:

- Residential property values have grown faster than the values of commercial, industrial, agricultural, and other classes of property;
- Exemptions of business property, including manufacturing and machinery equipment, waste treatment, pollution control and recycling facilities, and computers, have reduced businesses' share of the property tax; and
- Use value assessment of farmland has reduced the share of property taxes paid by owners of agricultural land and other open space.



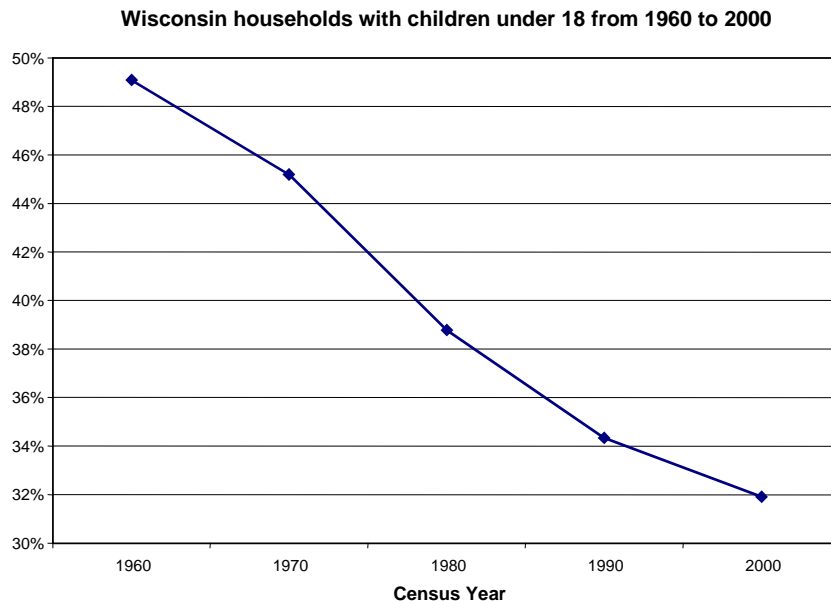
Source: Department of Revenue

Perhaps the clearest example of how this disconnect between property taxes and ability to pay is affecting Wisconsin citizens is the effect of property taxes on senior citizens with fixed incomes. A senior citizen living only on Social Security and his or her life's savings sees little growth in income over time. When cost of living is taken into account, many retirees actually see inflation-adjusted declines in their incomes. Unfortunately, property taxes do not adjust to reflect this reality. If a senior's home value rises and/or the community's property tax levy continues to grow, the senior's property tax bill is likely to grow. Under such circumstances, senior citizens can be forced to sell their homes in order to pay for everyday living expenses.

At the same time Wisconsin homeowners of all ages are seeing their property taxes grow, fewer and fewer taxpayers have children in school. Based on DOA analysis of Census Bureau data, in 1960, nearly 50% of households had children under age 18. In 2000, only about one-third of households had school-age children. This problem will intensify in the coming years due to Wisconsin's rapidly aging population. As the "baby boomer" generation enters retirement and their children outgrow the K-12 system, thousands of additional households may no longer have a direct interest in local public schools.

In addition, ours is an increasingly mobile society where individuals frequently move among school districts, and may have reduced ties to their communities. New public and private school options that have been made available to Wisconsin parents, including open enrollment, virtual

schools, charter schools, and voucher schools, may further weaken the bond that homeowners have with their local school districts. Declining personal investment and a perceived lack of direct value in local schools further escalates the conflict between the need to provide high quality schools and the property taxpayers' willingness to pay.



Source: Department of Administration

Another key reason for public dislike of the property tax is the manner in which it is paid. Unlike income taxes that are paid throughout the year by withholding, or the sales tax that is collected with each purchase, property taxes are generally paid in only one or two lump sums.

Goals

- Reduce the reliance on the property tax.
- Alleviate the tension between property taxpayers and school costs.
- Identify stable alternative revenue sources to fund K-12 education in Wisconsin.

Recommendation

29. The Task Force recommends a 20% reduction in total local property taxes, equal to a 43% reduction in school property taxes, through a dollar-for-dollar sales tax-for-property tax replacement to help create a more balanced system of school finance. The Task Force recommends a combination of increasing the state sales tax by one penny (from 5% to 6%) and an expansion of the sales tax base to generate the \$1.44 billion in revenue necessary to fund this property tax reduction. The Task Force recommends the creation of a separate segregated fund for collection and distribution of the additional sales tax revenue, allowing for future growth to be available for investment in education.

In conjunction with the use of additional sales tax revenue in place of property tax revenue, the Task Force recommends that additional relief be provided to lower income individuals

who may otherwise bear a disproportionate burden of such a transition. For example, additional investments in the Homestead Credit or the establishment of a Sales Tax Credit, up to that amount which is necessary to reduce regressivity, are two mechanisms that could deliver tax relief to lower-income individuals.

Finally, the Task Force recommends exploring meaningful mechanisms to ensure that other units of government - which also rely on local property tax dollars - do not use the reduction in school property taxes as an opportunity to increase their own levies and reduce or eliminate the property tax relief delivered under this proposal.

Justification: The Task Force finds that a reduction in school property taxes, followed by the identification of an alternative and relatively stable source of revenue for schools, is a desirable outcome that will benefit schools and taxpayers. The Task Force heard testimony about the conflict the property tax has created between schools and homeowners (particularly those without school age children) and individuals living on low or fixed incomes, and how this conflict has led to divisive proposals to freeze property taxes or impose unworkable constitutional limits on school district revenues. While neither of these options would actually reduce property taxes or protect Wisconsin's public education system, the Task Force's proposal achieves both objectives.

A sound tax system, according to many tax policy experts, is a balanced tax system.³⁵ The Task Force believes that the balance of Wisconsin's system of taxation should be reexamined. As previously noted, the national rankings confirm this conclusion. In addition, as the table below shows, Wisconsin has the lowest sales tax rate in the upper Midwest.

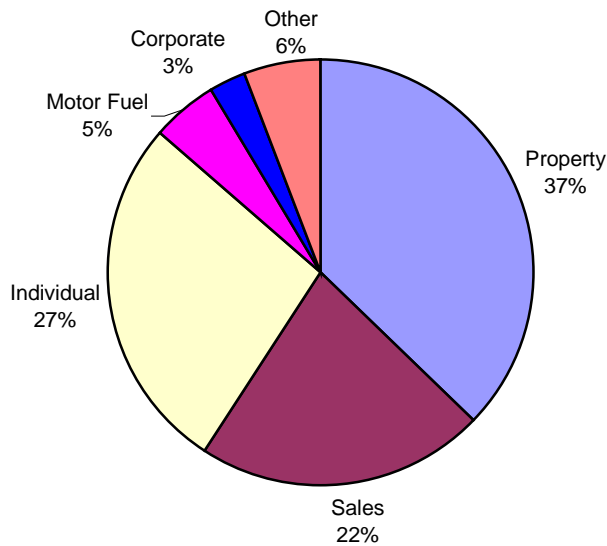
STATE TAX RATES, MAXIMUM LOCAL RATES, AND TOTAL STATE-
LOCAL RATE OF NEIGHBORING STATES

| | State Rate | Maximum Local Rate | Maximum State/ Local Rate |
|-----------|-----------------------|-------------------------------|--------------------------------------|
| Illinois | 6.25 | 2.50 | 8.75 |
| Iowa | 5.00 | 2.00 | 7.00 |
| Michigan | 6.00 | --- | 6.00 |
| Minnesota | 6.50 | 1.00 | 7.50 |
| Wisconsin | 5.00 | 0.60 | 5.60 |

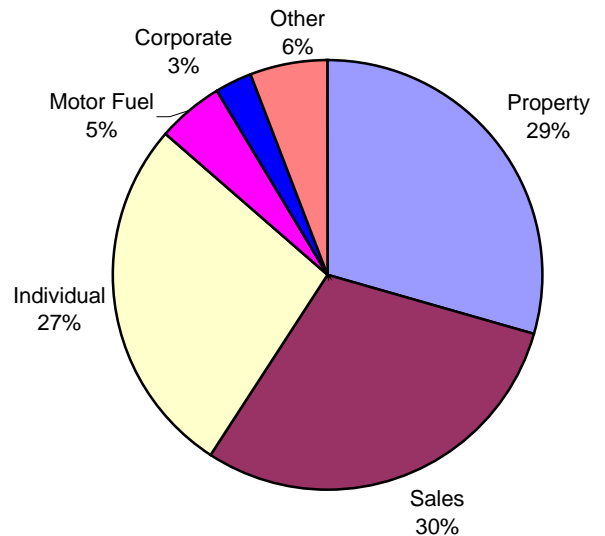
Source: Department of Revenue

Shifting from the property tax to the sales tax for school funding will create a more balanced system of educational finance. A simulation of the impact of this recommendation validates this conclusion. Currently, the property tax constitutes 37% of total state and local revenues. After implementation of this recommendation, the property tax's share would drop to less than 30% - approximately equal to the sales tax's share of the total. In fact, as a result of these changes, the three largest state and local tax types – property, sales and individual income – will be roughly equal. This change reflects the Task Force's intention to create a more balanced system of taxation in Wisconsin.

**STATE & LOCAL TAX REVENUES BY TAX TYPE,
FY2003**



**STATE & LOCAL TAX REVENUES BY TAX TYPE,
PROPOSED**



Source: Department of Revenue

A more balanced mix of taxes promotes equity by distributing the tax burden more widely among taxpayers. In contrast, under the current system, homeowners pay a disproportionate share of total taxes, especially since residential property is taxed so heavily. In addition, to the extent that Wisconsin's mix of taxes becomes more similar to those of other states, the state may become more attractive to businesses.

The effect of this proposal on property tax bills in Wisconsin would be very significant. School property taxes would be reduced by 43% statewide with a number of areas seeing even larger reductions. The owner of the median value home in Wisconsin would benefit from a \$500 reduction (on average) in their property tax bill (based on the estimated median home value of \$133,800 with 2003 estimated property taxes of \$2,597).³⁶ The Task Force did not take a position on how to distribute the tax relief, but rather examined several options of delivery, including through the state's equalization aid formula. The following table details how much school levies would have been cut in 2003-04 in Wisconsin's 35 largest school districts, if this proposal had become law and the funds were distributed through the equalization aid formula.

School Levy Reduction for the Most Populous School Districts
(Based on a \$1.44 Billion Increase in School Aids)

| School District | Percent Decrease in School Levy |
|-------------------------------|--|
| Milwaukee | 52.3% |
| Madison Metropolitan | 36.6% |
| Racine | 62.3% |
| Kenosha | 48.5% |
| Green Bay Area | 47.2% |
| Appleton Area | 51.9% |
| Waukesha | 47.6% |
| Eau Claire Area | 43.4% |
| Janesville | 52.1% |
| Oshkosh Area | 57.7% |
| Sheboygan Area | 40.5% |
| Wausau | 43.2% |
| West Allis | 46.4% |
| Stevens Point Area | 53.8% |
| La Crosse | 45.0% |
| Fond du Lac | 54.4% |
| Elmbrook (Brookfield) | 22.3% |
| Beloit | 42.7% |
| West Bend | 59.7% |
| Neenah | 48.9% |
| Wauwatosa | 55.8% |
| Wisconsin Rapids | 52.5% |
| Manitowoc | 57.6% |
| Middleton-Cross Plains | 39.3% |
| D C Everest Area (Rothschild) | 49.7% |
| Sun Prairie Area | 42.1% |
| Superior | 49.7% |
| Oak Creek-Franklin | 49.6% |
| Mukwonago | 49.1% |
| Howard-Suamico | 46.1% |
| Muskego-Norway | 37.4% |
| New Berlin | 34.8% |
| Chippewa Falls Area | 49.5% |
| Hudson | 45.0% |
| Verona Area | 36.2% |

Source: Department of Administration

(Note: A listing of the effect of this proposal on all school districts in Wisconsin can be found in Appendix D.)

There are other powerful arguments in favor of increasing Wisconsin's reliance on the sales tax. Over time, sales taxes grow with the economy and are linked in general to an individual's ability to pay. In contrast, the link between ability to pay and the property tax has weakened and will likely continue to weaken as the state's population ages.

Closing sales tax loopholes, particularly those that relate to discretionary services, would also promote greater revenue stability and taxpayer equity. As the national economy has evolved,

the sales tax base has become a smaller portion of the overall economy. As the economy has shifted from being a “goods producing economy” to more of a “service-based economy”, the sales tax has not kept up. Under current law, virtually all services are exempt. As a result, less and less of the total amount of consumption in Wisconsin is now taxable. This means that sales tax revenue has not grown as fast as the overall economy, leading to less revenue stability and an increased tax burden on individuals for whom most consumption is related to the purchase of taxable goods. These individuals tend to have lower incomes, which means that the sales tax has become more regressive over time. A broader sales tax base would even out the burden as well as promote long-term growth in sales tax revenue.

One specific sales tax loophole that the Task Force supports closing relates to the purchase of goods via the Internet. In recent years, e-commerce has boomed in the United States. Currently, states are forbidden from requiring that e-retailers collect state sales taxes. Individual citizens are responsible for the burden of reporting purchases and payment of the appropriate sales tax, but the compliance rate is low. As a result, Wisconsin businesses face a price disadvantage when competing with e-retailers. There is currently a national effort to close this loophole to create equity between “Main Street” businesses and e-retailers, and the Task Force strongly supports these efforts.

The Task Force firmly believes that any change in school finance should not lead to a more regressive system of taxation in Wisconsin. While all taxpayers must share in the cost of funding our public schools, low and moderate income families should not be forced to bear a disproportionate share of the burden. To ensure that this does not occur, the Task Force recommends the creation of a targeted income tax credit to help offset the impact of this proposal on low- and moderate-income families. This credit could take the form of an expanded Homestead Credit or a new credit that is specifically related to the consumption of taxable goods and services. Regardless of its form, the goal of this credit would be to help prevent a rise in the tax burden for low and moderate-income Wisconsin residents.

The Task Force recommends that in order to prevent a more regressive tax system in Wisconsin, existing exemptions for necessities, such as food, prescription drugs, and health care expenditures, should be maintained. Unlike some of the services not currently subject to the sales tax, these essential services cannot be avoided and, if taxed, would make Wisconsin’s tax system more regressive.

Finally, the Task Force recognized that, in order for the property tax cut to be meaningful, local units of government must not take advantage of this significant property tax reduction by raising their own levies. Keeping existing revenue limits in place will help to ensure that school districts will not increase spending beyond what those limits allow, unless they get the approval of their voters in a referendum. For other units of local government, the Task Force suggests that meaningful mechanisms be explored to help ensure that property taxpayers see the full benefit of this plan. The Task Force does not recommend arbitrary constraints that could harm public schools and other essential public services like police and fire protection.

Estimated Fiscal Effect: To reduce the state’s overall property tax burden by 20% and establish a more balanced system of school finance, \$1.44 billion in sales tax revenue would have to be generated. As previously noted, the Task Force recommends increasing the state sales tax by one penny (from 5% to 6%) and expanding the sales tax base to generate this revenue. The Task Force recommends that current sales tax exemptions be retained on essential personal goods such as food, prescription drugs, and medical supplies.

30. *The Task Force recommends renaming the “School Tax Levy Credit” the “School Property Tax Relief Credit.”*

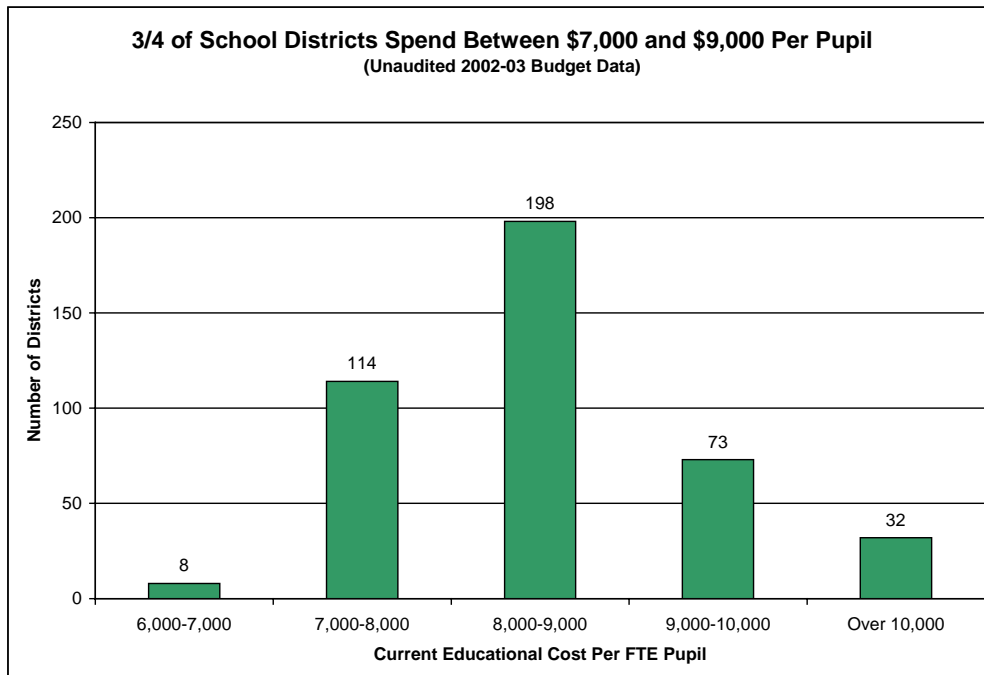
Justification: The school tax levy credit currently provides \$469 million annually in school property tax relief to homeowners through a below-the-line tax credit. In keeping with its recommendation to lower property taxes, the Task Force did not recommend any changes to the credit. However, the Task Force notes that this funding is not reflective of a direct investment in education spending, and believes the proposed name change more accurately reflects the nature of the credit.

Estimated Fiscal Effect: No fiscal effect.

II. School Costs and Revenues

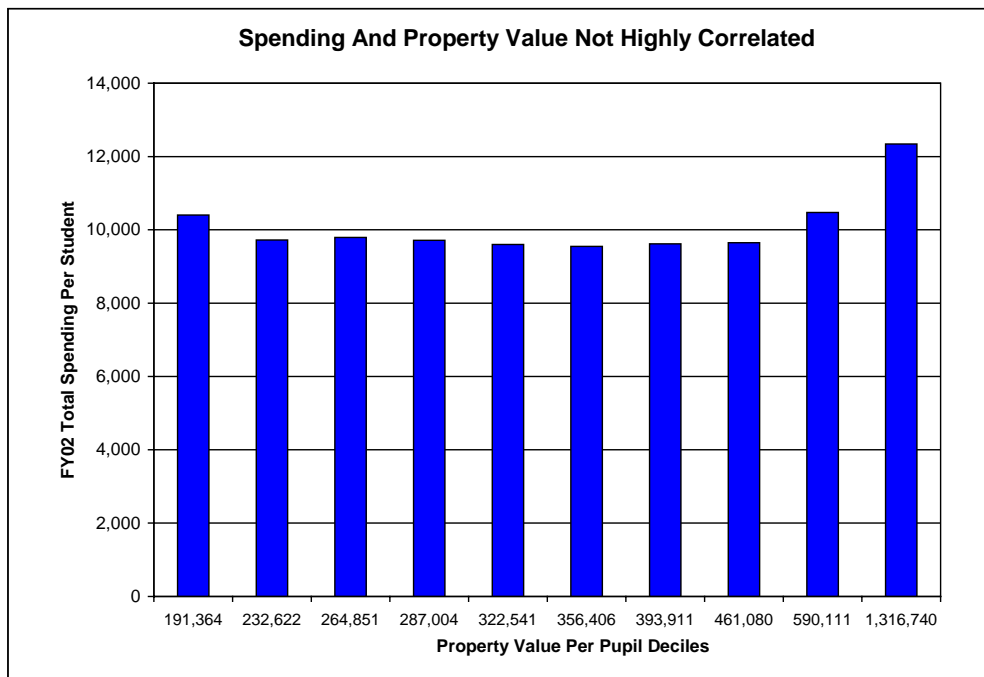
Problem: Article X of the Wisconsin Constitution establishes the state public school system and requires that the school districts “shall be as nearly uniform as practicable”. The state’s current equalization aid formula seeks to meet this constitutional requirement by focusing on achieving equal property tax effort, as measured by the property tax rate, for equal spending among school districts statewide. However, some have argued that while the current system may equalize tax effort, it does not sufficiently equalize spending disparities among districts.

While school spending per pupil ranged from \$6,066 in North Cape to \$16,109 in Lac du Flambeau #1 in 2002-03, 75% of Wisconsin school districts spent between \$7,000 and \$9,000 per pupil.



Source: Department of Public Instruction

While disparities may be significant at the margins, the state’s current equalization aid formula receives fairly good reviews for achieving equity. According to Dr. Allan Odden, Wisconsin has met most equity benchmarks since the mid-1990s.³⁷ The Wisconsin State Supreme Court, in two decisions over the past 15 years (*Vincent v. Voight* in 2000 and *Kukor v. Grover* in 1989), held that Wisconsin’s current system of school aid distribution through the equalization aid formula is constitutional. According to the majority opinion in *Vincent*, “the present school finance system more effectively equalizes the tax base among districts than the system did at the time *Kukor* was decided....”³⁸ In addition, except for the very highest value districts, per pupil spending is fairly uniform across districts even as property values increase.



Source: Department of Public Instruction

The formula’s relative effectiveness in achieving equity does not, however, fully resolve the issue of whether funding in each school district is adequate to ensure that all children, including economically disadvantaged students, students with disabilities, and students with limited English skills, receive a sound, basic education. The Wisconsin State Supreme Court expressed the standard for a sound, basic education as follows:

An equal opportunity for a sound basic education is one that will equip students for their roles as citizens and enable them to succeed economically and personally. The legislature has articulated a standard for equal opportunity for a sound basic education in Wis. Stat. §§ 118.30(lg)(a) and 121.02(L) (1997-98) as the opportunity for students to be proficient in mathematics, science, reading and writing, geography, and history, and to receive instruction in the arts and music, vocational training, social sciences, health, physical education and foreign language, in accordance with their age and aptitude. An equal opportunity for a sound basic education acknowledges that students and districts are not fungible and takes into account districts with disproportionate numbers of disabled students, economically disadvantaged students, and students with limited

*English language skills. So long as the legislature is providing sufficient resources so that school districts offer students the equal opportunity for a sound basic education as required by the constitution, the state school finance system will pass constitutional muster.*³⁹

The Task Force reviewed possible alternative school funding mechanisms, including a foundation plan. The major distinction between Wisconsin's current equalization aid formula and a basic foundation plan is that equalization maintains local control in establishing spending, while a foundation plan establishes a minimum, and sometimes a maximum, spending level that all school districts are required to meet. Foundation plans, in general, are based on the premise that the state's role is to guarantee or require a minimum level of funding for each student. One attractive feature of foundation plans is that spending per pupil could be set at a level determined to be necessary to provide the opportunity for a sound, basic education. However, the Task Force weighed these goals against the benefits of the current system: namely, the importance of local control in determining the amount needed to educate their students, and the relative level of equity achieved by the current equalization aid formula.

The Task Force believes that it is possible to maintain local control while making it easier for districts, particularly Wisconsin's lowest spending districts, to provide adequate resources for a sound, basic education. Revenue caps were enacted over ten years ago and have been adjusted annually by a fixed, and arguably arbitrarily set, dollar amount. As a result, a district's 2003-04 spending levels are based, in part, on how much that same district spent at the time revenue caps were enacted over ten years ago. While this is true for all districts, Wisconsin's lowest spending districts are governed by the "low revenue ceiling", a local option that allows school districts to increase their per pupil revenues up to a statutorily established amount without having to go to referendum. In 2003-04, districts could raise revenues up to \$7,400 per pupil and will be able to go to \$7,800 in 2004-05. (The statewide average per pupil revenue limit was \$8100 in 2003-04.)

While the low revenue ceiling allows some districts to exceed the inflationary per pupil increases allowed to all districts under revenue caps, the low revenue ceiling is both set in a generally haphazard fashion and fixed in state law. If the ceiling is not increased every year, it runs the risk of not providing any meaningful flexibility to low spending school districts. More importantly, the ceiling is not based on any rational analysis of what is a sound, basic education, and how much districts should spend to provide it. Local school boards that spent well below the statewide average more than a decade ago may now have different opinions about what level of spending is appropriate, or may face very different circumstances.

Finally, even though the goal of revenue caps is to limit property tax increases, there is one provision of the law that actually encourages districts to increase taxes to the maximum allowed. Current law allows districts that do not utilize 100% of their revenue limit authority to carry over only 75% of their revenue limit authority into the following year. The Task Force heard testimony that this provision unfairly penalizes school districts for spending less than the maximum amount under law, and does not encourage school districts to keep property taxes as low as possible.

Goals

- Ensure that Wisconsin children have an equal opportunity for a sound, basic education.
- In promoting this goal, ensure that Wisconsin's school financing system both equitably and adequately funds education.
- Implement a state-local finance system that provides every public school district with the resources needed to offer all students the opportunity for a sound, basic education.

- Retain local control by school boards to allocate resources within school districts.

Recommendations

31. *The Task Force recommends a “cost out” study to define what constitutes a sound, basic education and how much it costs to provide it. The study should take into consideration differences in region, and the nature of students served, including districts with disproportionate numbers of economically disadvantaged students, students with disabilities, and students with limited English skills.*

Justification: The Task Force recognizes that answering the question of what it costs to provide each child in Wisconsin with the opportunity for a sound, basic education requires expertise and broad citizen participation beyond that of the Task Force members themselves. Cost out studies, also commonly referred to as adequacy studies, are professional or academic analyses conducted to estimate an adequate level of a state’s educational spending per child. Such studies are commonly performed for a state legislature or governor, or as the result of a lawsuit challenging the equity of a state’s school finance system. The Task Force recommends that this kind of professional study be undertaken in Wisconsin. It should include analysis by the academic community, but should also be an opportunity to reach consensus among parents, teachers, administrators, and the business community about what constitutes an adequate education in Wisconsin.

Estimated Fiscal Effect: It is estimated that such a study could cost in the range of \$75,000-\$100,000. To the extent that state funds are limited, other sources of funding, such as private gift or foundation grants, could be sought for the study.

32. *The Task Force recommends increasing the low revenue ceiling to a level that equals the minimum needed to provide students with the opportunity for a sound, basic education. This may or may not exceed the amount currently set in statute. Strong weight should be given to the results of the cost out study when determining the level of the ceiling.*

Justification: The Task Force recognizes that revenue caps may keep per pupil revenues below what some districts, particularly the lowest spending districts, consider to be adequate to fund a sound, basic education. The results of the cost out study (Recommendation #31) could be used to set the low revenue ceiling at a more meaningful level that is closely aligned with districts’ needs and responsibilities to provide a high quality education to its students. Establishing a rational basis for the state’s low revenue ceiling will also promote even greater educational equity among the state’s school districts.

The low revenue ceiling would, in effect, become a voluntary foundation funding level for Wisconsin’s school districts. This change will incorporate the provisions that the Task Force members deemed to be positive about a foundation plan, while still maintaining the important features of local control and equalization. Local communities would retain the option of determining whether they need to spend up to the recommended adequacy amount.

Estimated Fiscal Effect: No direct state fiscal effect and an undetermined local effect. The local effect would depend on where the low revenue ceiling is set, which districts would make use of it, and whether any additional state funding is provided. This change will benefit state’s lowest spending districts by providing additional revenue limit authority.

33. *The Task Force recommends renaming the “low revenue ceiling” the “foundation level”.*

Justification: Renaming the “low revenue ceiling” to the “foundation level” would recognize its role as Wisconsin’s voluntary foundation level, as well as its connection to what is needed to provide students the opportunity for a sound, basic education.

Estimated Fiscal Effect: No fiscal effect.

34. *The Task Force recommends increasing the 75% carryover provision of unused revenue limit authority to 100%.*

Justification: This current law provision creates a disincentive for districts to spend prudently. Instead, it creates an incentive for districts to tax to their revenue limit maximum, even if local school district needs for that school year do not require it, or the increase will adversely impact property taxpayers. Given the current property tax climate that already creates tension between homeowners and schools, Wisconsin school boards should have the ability to minimize their tax levies without forcing a reduction in future revenue limit authority.

For example, in a recent well-publicized action, the MPS Board of Directors chose to use all of its revenue limit authority for 2004-05, resulting in a school levy increase of over 15% for Milwaukee taxpayers. The levy increase was attributed, in part, to the penalty associated with the 75% carryover provision. If the district would not have been penalized under this provision, MPS may have elected to pursue other means of balancing their budget, rather than relying on 100% of their taxing authority.

The MPS case is indicative of why most districts in the state use all of their revenue authority. According to DPI, school districts used 99.7% of total statewide revenue limit authority in 2003-04.

This is a common sense change to a revenue limit measure that, while intended to hold down future property tax increases, actually only encourages property tax increases. Allowing 100% carry over would remove this disincentive and provide districts with greater flexibility when making local taxing and spending decisions. The Task Force believes this change will lead to greater taxpayer savings than current law.

Estimated Fiscal Effect: No state fiscal effect. While the proposal should reduce property taxes, the size of the reduction will depend on local school board decisions.

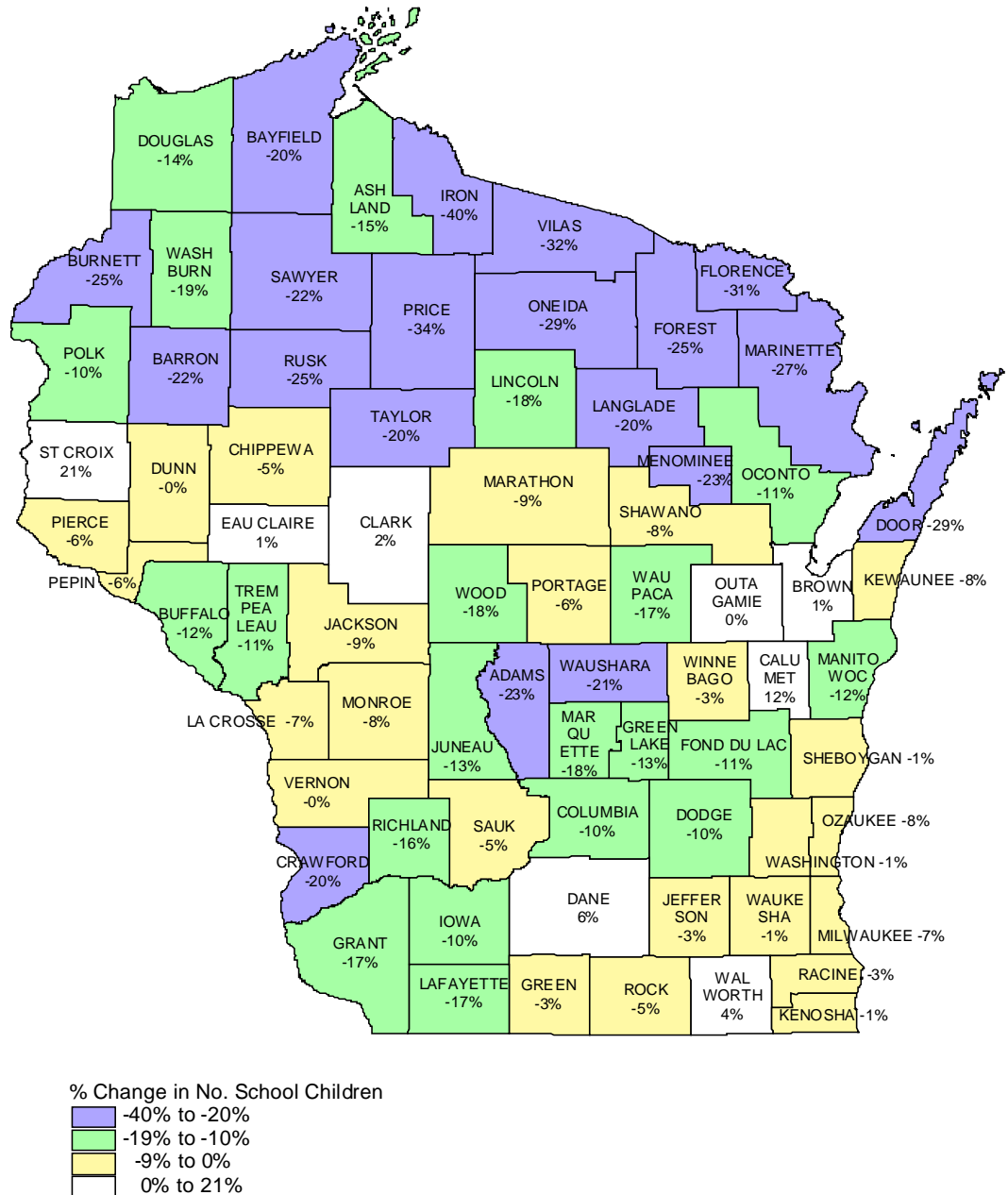
III. Addressing the Needs of Declining Enrollment Districts

Problem: Based on a 3 year enrollment average (the calculation used for revenue caps), nearly 60% of the state’s school districts are currently experiencing declines in student enrollment. Enrollment is a significant factor for both state aid and revenue limit purposes under the current financing system, and declining enrollment can have serious consequences for a district’s fiscal

viability. While declines in enrollment have the greatest adverse impact on Wisconsin's northernmost, smallest, and most property-poor districts, declining enrollment impacts districts regardless of size, property wealth, and level of expenditures per pupil.

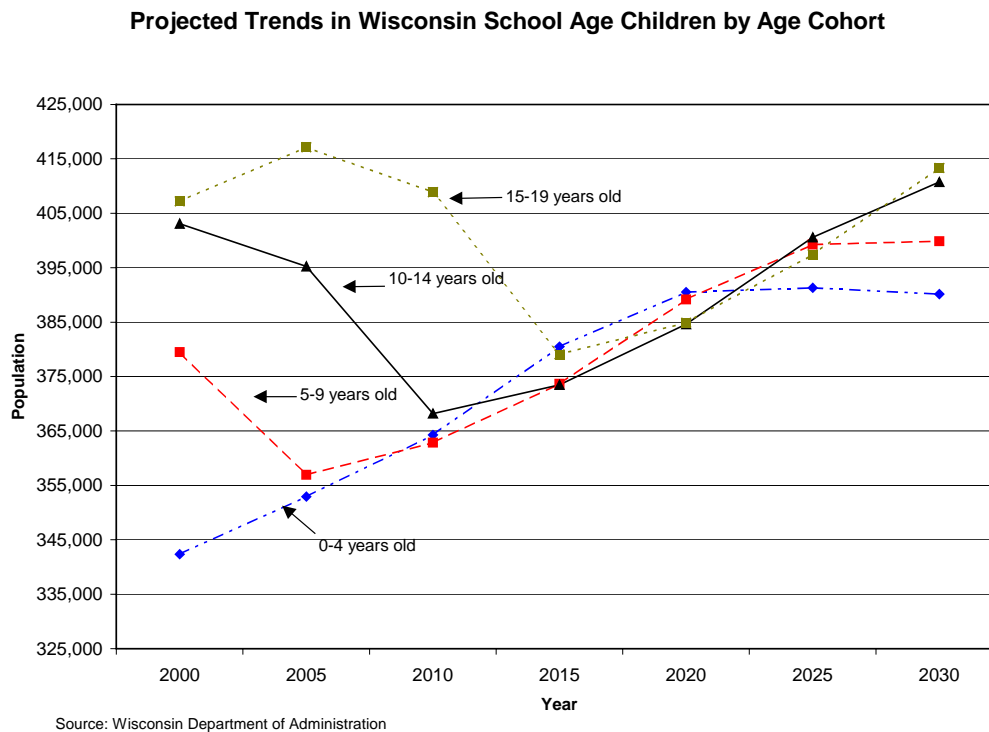
According to Wisconsin census projections compiled by DOA's Demographic Services Center (see map below), only eight counties will experience growth in the number of school-age children from 2000-2015. In fact, nineteen counties are expected to experience declines of 20%-40% in their school-age population during that period.

PERCENTAGE CHANGE IN NUMBERS OF SCHOOL CHILDREN BY COUNTY, 2000 - 2015



Source: Department of Administration

Furthermore, declining enrollment is a problem that is not going to go away in the near future. According to census data, the overall number of school-age children in Wisconsin will continue to decline until approximately 2015, after which statewide enrollment is projected to grow. However, the declines are not equal across all age cohorts, as demonstrated in the chart below. These differences in growth by age group may have additional consequences for school districts as they plan for their future instructional and space needs.



Decreasing enrollment is significant for districts because enrollment is one of the factors used to determine both state aid and revenue limits. State law moderates the impact of sharp enrollment changes by using a 3 year rolling average to calculate a district's enrollment for revenue limit purposes. As a result, if a district's enrollment drops in one year, the full effect is spread over 3 years.

Districts with persistent declines in enrollment must reduce their expenditures as they lose students. However, the 3 year rolling average does not accurately reflect the marginal costs incurred when a district loses a student. For example, if a class of 25 students declines to 20 students, revenue limits suggest that the class should be able to reduce costs by 20%. However, the remaining 20 students still need a teacher and a classroom, and a 20% cut simply is not achievable in that classroom alone. Instead, any cost savings associated with losing these students are only at the margin, and reductions must be made elsewhere in a district's budget.

To address this issue, the current school finance system allows districts with declines in enrollment to keep 75% of their previous year's revenue limit authority, which provides some temporary assistance each year. However, this provision has not prevented school districts from having to make cuts to important programs. With fixed and, in some cases, growing costs such as transportation, insurance, and utilities, declining enrollment districts must often make difficult

cuts to stay within their allowable revenue limits. In addition to losing revenue limit authority, districts also lose state aid associated with each pupil. Further, since the formula is based on equalizing property values per pupil and awards state aid in an equalized fashion, declines in enrollment also make a district's per pupil property value increase. The declining enrollment district may appear wealthier under the formula than it actually is, possibly resulting in additional decreases in state aid.

No matter how much assistance the state provides to school districts in an effort to minimize the reductions associated with declines in enrollment, school districts, particularly those with very significant enrollment declines, must prepare for the long-term consequences of this population trend. Long-term planning is needed, and must incorporate a review of facilities needs and opportunities to make greater use of distance learning.

Goal: Provide assistance to declining enrollment districts to help ensure a sound, basic education for all children in those districts. Such assistance should recognize the marginal costs of losing a student.

Recommendations

35. The Task Force finds that declining enrollment is a serious problem facing many school districts around the state. The Task Force recommends providing additional relief to declining enrollment school districts, in recognition of the marginal costs associated with losing a student. One example of such relief would be to change the 75% exemption from a non-recurring to a recurring exemption.

Justification: While many districts have made difficult fiscal decisions under revenue limits, declining enrollment is one of the biggest challenges districts face when trying to maintain core educational programs and staff. Using the current 3 year rolling average to moderate the impact of enrollment changes on revenue limits still does not accurately reflect the marginal costs associated with losing a student. The Task Force heard testimony that districts that lose significant enrollment are, under the current system, forced to make major cuts in their budgets, often in instructional programs. While the current 75% declining enrollment exemption under revenue limits provides some temporary assistance each year, it is arguably not enough.

Some relief to declining enrollment school districts could be provided by amending the 75% declining enrollment exemption from a one-time to a recurring exemption. This will provide declining enrollment districts increased capacity to maintain core functions.

Estimated Fiscal Effect: Maintaining the current 3 year-rolling average calculation for revenue limits, but changing the current 75% hold harmless non-recurring exemption to a recurring exemption, would allow districts to keep exemption funds permanently. The proposal could provide approximately \$25-\$30 million in additional annual revenue limit authority statewide once fully phased in.

36. The Task Force recommends that all districts, including declining enrollment districts, establish a Master Plan for the future efficient delivery of a sound, basic education based on enrollment projections, requirements for facilities, etc. The plans should be developed with significant public participation and review, updated regularly, and submitted to the DPI for review.

Justification: Many Wisconsin school districts and communities are going to be greatly affected by enrollment changes in the coming years. Just as communities develop local zoning plans or have undertaken comprehensive planning under the state's "Smart Growth" law, school districts must also plan for changes in enrollment and emerging educational needs to ensure long term stability.

The Task Force believes that declining enrollment districts, especially those that will lose substantial numbers of students over the next decade and have no real prospect for recovery, must acknowledge their population projections and begin planning for future needs. While such planning is important for all districts, a formal planning process would require declining enrollment districts to address the unique long-term issues facing them, including reduced state aid, facilities and management issues, issues relating to distance learning and other educational and achievement-related matters. In order to prepare for these changes, the Task Force believes that it is important to move from away from simply reacting to crises as they arise toward a broad, proactive, community-wide discussion over how students should be educated in the future.

Estimated Fiscal Effect: This recommendation has a minimal state and local fiscal effect.

IV. Addressing the Needs of Small, Rural School Districts

Problem: Small, rural school districts are among the most expensive to operate due to a number of factors, including diseconomies of scale and higher transportation costs. In Wisconsin, 88 school districts (approximately 20%) have enrollments below 500 pupils.

Throughout the Task Force's work, attempts have been made to address the needs of small, rural school districts. Since these districts are more likely to be experiencing declines in enrollment, the Task Force's recommendation to provide additional revenue limit relief to declining enrollment districts will provide much-needed assistance. The Task Force's recommendations on special education, especially the high-need, low-incidence proposal, will help small, rural schools, where diseconomies of scale make the cost of educating a special needs child particularly difficult to fund. Further, the Task Force's recommendations relating to teacher recruitment and retention also address the need to attract and retain high quality educators in hard-to-staff rural schools. Finally, the Task Force's recommendation to provide additional investments in 4K and early education will have significant benefits for rural school districts, as well.

In addition to the issues addressed by these recommendations, the issue of transportation is a particularly difficult issue for small, rural school districts, as they are more likely to be larger in area and more sparsely populated than their suburban and urban counterparts around the state. The costs associated with transporting children to school in these sparsely populated areas are, in general, much higher than the costs of transportation in other areas, a significant factor when considered in light of revenue controls.

Goal: Provide additional assistance to rural school districts, which lack the economies of scale enjoyed by school districts with greater enrollments.

Recommendation

37. *The Task Force recommends that the categorical aid for transportation be substantially increased to more accurately reflect districts' transportation costs, especially for long distance transport. The Task Force finds that transportation is a necessary service that is independent of instruction, and that some districts, particularly low density rural districts, spend a larger share of their budgets on transportation than their more compact counterparts. The Task Force recommends that the state's transportation fund be used to pay these costs.*

Justification: School districts are required by state law to furnish transportation services to public and private school pupils. School districts that provide these services are eligible for transportation categorical aid. The aid payment is based on reimbursement rates that have not been changed since 1981. In those twenty-three years, the price of gasoline, salaries, equipment, and insurance have all increased substantially. In 2002-03, transportation aid totaled \$17.7 million. Based on school district budget data, the net cost to transport children to and from school was approximately \$220 million.

Under current law, payments are based upon the distance a student travels to school (see table below).

Current Law

| Distance Traveled | Regular School Year | Summer School |
|-----------------------------|---------------------|---------------|
| 0<2 miles (hazardous areas) | \$12 | 0 |
| 2<5 miles | \$30 | \$4 |
| 5<8 miles | \$45 | \$6 |
| 8<12 miles | \$60 | \$6 |
| 12<15 miles | \$68 | \$6 |
| 15<18 miles | \$75 | \$6 |
| 18 miles and over | \$85 | \$6 |

The problem posed by a lack of increases in transportation funding is particularly troublesome for sparsely populated districts that must transport students long distances and must devote a larger portion of their budget toward transportation costs. For example, District A is a rural school district where students are transported long distances and transportation costs are roughly \$1,000 per student, and District B is a more urban district where students walk to school and has virtually no transportation costs. If Districts A and B both spend approximately \$10,000 per pupil, the students in District A are at a significant disadvantage because an additional 10% of funding allocated for them must be spent on transportation, whereas District B can invest these funds in classroom and other educational expenses.

With transportation costs at best a fixed, and likely growing, portion of school district budgets, districts with high transportation costs may be forced to make cuts in educational

programming in order to continue transporting children to school. The Task Force expressed particular concern for districts that must transport students disproportionately longer distances to school. In order to ensure equal educational opportunity for all Wisconsin students, additional funds must be allocated to the state's transportation categorical aid to help offset the financial disadvantage associated with unavoidable and high transportation costs.

The Task Force's recommendation to use the state's transportation fund to pay these costs reflects the Task Force's belief that transportation costs are not educational costs, and thus should be funded from the state's transportation fund. The Task Force considered options that would increase revenues to the state's transportation fund, including a progressive vehicle registration fee, in relation to this proposal, but elected not to endorse specific revenue generating options.

Estimated Fiscal Effect: The following are examples of the cost of incrementally increasing the current state reimbursement rates. These examples are provided by increasing all current flat annual reimbursement rates per pupil distance traveled to provide additional funding for districts transporting pupils to and from public and private schools. Note that transportation costs vary significantly across districts, and districts with the highest per pupil transportation costs would receive the greatest benefit.

- 2 times the current reimbursement rates = \$21 million annually;
- 3 times the current reimbursement rates = \$40 million annually; and
- 4 times the current reimbursement rates = \$60 million annually. While the Task Force elected not to select a specific funding target, the Task Force suggests that 4 times the current reimbursement rate is the most desirable option.

In addition, the Task Force recommends that the current \$17.7 million in general purpose revenues allocated annually to the transportation categorical aid be funded with transportation fund dollars, as well. This provision would have the effect of restoring an additional \$17.7 million to the general fund.

V. Strengthening Efficiencies and Collaboration

Problem: Current law includes some incentives for the consolidation of school districts, but provides virtually no incentives for districts to collaborate and enter into shared services agreements. The consolidation of districts, while often not politically palatable or desirable to the parents and residents in those districts, is also problematic for many large area districts due to the distances involved. However, the consolidation of services between districts or with and other governmental units (e.g., municipalities or counties) are strategies that could greatly increase cost efficiencies and allow scarce resources to be better allocated.

Goal: Encourage, through incentives, greater collaboration among school districts and other units of local government to achieve greater efficiencies and cost savings.

Recommendations

38. *The Task Force recommends the establishment of collaboration teams in each of the state's 12 CESAs. DPI, DOR, and other state agencies as appropriate should work with CESAs to*

promote greater collaboration among districts and between school districts and other units of government.

Justification: CESAs were created by the Wisconsin Legislature in 1963 to address educational needs in all areas of Wisconsin by serving as a link between school districts and between school districts and the state. CESAs may facilitate communication and cooperation among all public and private schools, agencies and organizations that provide services to pupils. Wisconsin's CESAs are already working to improve efficiencies in the delivery of school district services. Collaboration teams would promote the sharing of best practices and value-added endeavors with other units of government across the state.

Estimated Fiscal Effect: Minimal state and local fiscal effect.

39. *To provide additional resources to support instructional activities, the Task Force recommends that school districts, especially those with low enrollments, should explore consolidating services, including administrative and instructional services and multi-district collective bargaining. This consolidation can be achieved through bi- and multi-lateral agreements or through greater use of CESAs.*

Justification: Given projected student population trends and public pressure to reduce the overall tax burden, the consolidation of district services, including educational delivery services, is necessary to efficiently meet instructional needs. Distance learning, for example, will be an important resource for isolated, low enrollment districts to deliver educational programs that meet the constitutional requirement to provide students with an equal opportunity to a sound, basic education.

Estimated Fiscal Effect: Unknown. The fiscal effect depends on many factors, including the number of districts that would pursue consolidation of services.

40. *The Task Force recommends implementation of a Wisconsin Incentives for Service Collaboration (WISC) Payment.*

Justification: Under this proposal, a grant program would be created to reward collaboration among districts and/or between districts and municipalities. Consortia of two or more districts/municipalities would submit collaboration proposals to DPI detailing their plans. This proposal would project cost savings for the first 5 years of the agreement. The WISC payment would be equal to 50% of the total expected savings and would be distributed over a 5-year period. To encourage consortia to stay in the program, the payment would be front-loaded and back-loaded (Year 1 = 30%, Year 2 = 15%, Year 3 = 10%, Year 4 = 15%, Year 5 = 30%.) Annual progress reports would be submitted to DPI to ensure that expected savings are being generated.

Estimated Fiscal Effect: The cost of this proposal would depend on how many and which consortia applied. The Task Force estimated costs to be \$2 million annually.

Appendices

Appendix A

Governor's Task Force on Educational Excellence

Summary of Final Task Force Recommendations

1. The Task Force recommends making additional investments in smaller class sizes by increasing the per pupil SAGE payment from \$2,000 to \$2,500 to help ensure that school districts can continue to offer this important program.
2. The Task Force recommends giving strong consideration to permitting additional schools to enter into SAGE contracts with DPI. Priority would be given to schools with the highest poverty levels.
3. The Task Force recommends additional investment in before- and after-school wraparound programs in high poverty areas. Specifically, the Task Force recommends creating a state categorical aid program to provide grants to high poverty schools in both rural and urban areas for before and after school programs meeting the following criteria:
 - (a) coordinate with parent and community programs;
 - (b) coordinate other services (e.g. transportation, child care, translation services) to promote greater parental involvement in and support for their schools;
 - (c) encourage the creation of parent resource libraries/community campaigns that underscore the importance of helping children learn at home;
 - (d) increase parent volunteer opportunities in school;
 - (e) coordinate with community health programs; and
 - (f) coordinate with other related programs such as those required by SAGE.
4. The Task Force finds that a positive, respectful school climate is critical to student performance and recommends the following:
 - (a) Develop state standards for educational staff that reflect diversity and multicultural competence.
 - (b) Revise current state standards to include expectations for development of student knowledge, understanding, and respect for all diversity.
 - (c) Provide professional development opportunities, particularly in schools with significant student performance problems, regarding these new state standards and reinforcing understanding, tolerance and respect for all children.
 - (d) Encourage school districts to incorporate student and staff respect for other persons in mission statements, operating policies, and procedures.
5. The Task Force recommends substantially increasing funding for the state bilingual-bicultural categorical aid program.
6. The Task Force recommends funding for school districts that do not qualify for bilingual-bicultural categorical aid under current law but are still educating ELL students. Districts receiving such funds must demonstrate that the funds are being used to promote bilingual-bicultural education among their students.

7. The Task Force recommends increasing the state's commitment to high quality summer school programming. The Task Force did not recommend a specific mechanism for increasing funding, but rather provided two examples. These examples include:
 - (a) Increasing the current revenue limit authority factor for summer school enrollment from 40% of full time equivalent (FTE) student to a higher percentage, such as 50%, for districts that provide programming that research indicates improves student achievement.
 - (b) Allocating additional resources for summer tutoring and other special services for students in high poverty schools.
8. The Task Force recommends the creation of a 10-school pilot program focused on high poverty districts and/or schools throughout the state to develop extended year programs coordinated with other parent and community programs. Specifically, these programs would provide funding to either districts or schools that extend their school years beyond the current statutory 180-day minimum.
9. The Task Force recommends exploration of a pilot "residential school" that would recruit homeless and foster children.
10. The Task Force recommends studying the feasibility and value of funding school districts based on average daily attendance basis. The study would examine the impact of average daily attendance systems in other states, including the effect such systems have had on attendance rates and student achievement, and would take into account any additional stress that such a system might place on high poverty schools.
11. The Task Force recommends that school boards and teachers should give high priority in bargaining to compensation systems that, in a manner consistent with PI 34 or similar structures, reward the acquisition of relevant subject-area knowledge and skills. Linking salary increases to the acquisition of knowledge and skills better achieves the goal of improved teacher effectiveness and student learning than does a system based exclusively on length of service and credits earned.
12. The Task Force recommends that incentives, including state funding for pilot programs, be available to districts that agree through collective bargaining to implement a compensation plan that is more directly linked to the acquisition of relevant knowledge and skills and demonstrated improvements in pupil learning.
13. The Task Force recommends the creation of a new categorical aid program to help support the shared state and local commitment of providing mentors to new teachers under PI 34.
14. The Task Force recognizes that increasing health care costs are a national problem that, in combination with the QEO, is having a particularly negative effect on Wisconsin school district budgets. Increasing school employee health insurance costs must be addressed so that funding fringe benefits does not make needed improvements in teacher salaries impossible for districts and their taxpayers. The repeal of the QEO (recommendation #15) is a good first step to empower teachers and school boards to search for more innovative solutions to this problem.

Health care benefits bargaining should respect the fact that such benefits have been established through the collective bargaining process, often at the expense of higher

salaries. Savings achieved through health care reforms should not be viewed as resources to fill budget gaps, but as resources designated primarily for improvements to teacher salaries (or to meet other mutually agreed upon areas). While health care reforms could provide one source of funds for increasing teacher salaries, they should not be viewed as the only such source.

15. The Task Force recommends repeal of the current QEO law because it is not having a positive effect on the educational environment. As the Task Force's recommendations on teacher compensation systems and health insurance indicate, the QEO repeal recommendation is also made, in substantial part, with the expectations that such repeal will free teachers, administrators, and school boards to engage in the creative collaboration necessary to address salary structure (recommendations #11 and #12), health insurance (recommendation #14), and to provide appropriate incentives to foster student achievement in light of 2004-05 educational and economic realities.

The Task Force further recommends that all non-QEO portions of Chapter 111.70(4)(cm)(7) continue as currently stated if revenue caps continue to exist.

16. The Task Force finds that teacher recruitment, particularly of minority teachers and to under-served geographic regions and understaffed content areas, is a serious problem, and recommends that more must be done to attract teachers to the profession. Options to improve teacher recruitment include:
 - (a) Repeal of the QEO (Recommendation #15);
 - (b) Establishment of Knowledge and Skills Based Compensation systems that provide greater salary incentives to both younger teachers and master teachers. (Recommendations #11 and #12);
 - (c) Support for PI 34, including financial support for mentoring. (Recommendation #13);
 - (d) Establishment of a statewide teacher cadet program;
 - (e) Expansion of future teachers clubs, and distributive education (work-study) and youth apprenticeship-type programs that expose high school students more directly to the teaching profession; and
 - (f) Exploration of loan forgiveness plans or financial incentives that have a proven effect.
17. The Task Force finds that the number of minority teachers in Wisconsin is far too low and recommends greater attention by policymakers to improving the diversity of Wisconsin's teaching workforce. Strengthening efforts to increase the number of minority group high school and college graduates is a critical component in this effort. In addition to the options mentioned above, other options to improve the recruitment of minority teachers include:
 - (a) Exploring forgivable loans for undergraduate minority teacher education students attending a UW System institution, with a particular focus on UW-Milwaukee (UWM).
 - (b) Considering the creation of a separate category under the Minority Precollege Scholarship program for students who participate in eligible precollege programs related to careers in teaching.
18. The Task Force finds that teacher retention is a serious problem, particularly in certain high poverty and/or rural districts and in certain core subject areas. In addition to the recommendations listed above relating to the repeal of the QEO, salary structures based on the acquisition of knowledge and skills and improved pupil learning, and support for PI 34, the Task Force recommends exploring additional options to retain high quality

teachers, and to link them with the most hard-to-staff classrooms and subject areas, including:

- (a) Expanding the current state program which awards \$2,500 annual grants to teachers who receive National Board of Professional Teaching Standards certification to include teachers who receive the master educator's license under PI 34.
 - (b) Providing a state-funded grant so that to master educators in schools with greater than 50% low-income enrollment can serve as resources to students, staff and the community.
 - (c) Creating a specialty within the master teacher license category for teaching in high poverty urban and low enrollment rural districts.
19. The Task Force recommends the creation of a state-based grant program for high poverty, low achieving public middle and high schools to attract and retain highly qualified teachers. The grant, which would promote innovative teacher recruitment and retention strategies aimed at improving student learning, would be awarded by DPI for a period of five years. Applicants would be required to demonstrate that they experience problems in attracting and retaining high quality teachers, and would be required to use research-based methodologies in their proposal to address these problems. Recipients would be required to submit annual evaluations to DPI on project outcomes, including teacher retention rates, student test scores, attendance rates, graduation rates, and other educational outcome measures. Schools eligible for the grant must be both high poverty and low achieving, and must have been identified for improvement under the federal law more than two years. The grant program would be limited to 30 schools, of which at least 10 must be in MPS.
20. The Task Force recommends maintaining the state's commitment to 4K.
21. The Task Force recommends the creation of a state grant program to help cover the implementation costs of 4K.
22. The Task Force recommends providing an additional 0.1 FTE of funding for each 4K student in school districts that adopt "community approaches" to early care and education.
23. The Task Force recommends providing 1.0 FTE funding for full-day 4K programs which incorporate both parental involvement and community approaches.
24. The Task Force recommends restoration of funding for the T.E.A.C.H. Early Childhood® and REWARD programs that to promote high quality care through the professional development of child care professionals.
25. The Task Force recommends maintaining full funding of the Wisconsin Shares Program, which provides child care subsidies to low-income families.
26. The Task Force recommends the creation of a new categorical aid program to reimburse school districts for otherwise non-reimbursed costs, above a specified base level for High-Need/Low Incidence special education students.
27. The Task Force recommends substantially increasing the state's special education categorical aid.

28. The Task Force recommends that state agencies conduct an assessment of the use of existing state resources in the areas of education, health, and school-to-work programs as they apply to individuals with disabilities and that state agencies be directed to develop a streamlined, non-duplicative process for the provision of services to such individuals. Further, the Task Force recommends directing state agencies to engage local governments and school districts to seek greater collaboration to streamline existing efforts.
29. The Task Force recommends a 20% reduction in total local property taxes, equal to a 43% reduction in school property taxes, through a dollar-for-dollar sales tax-for-property tax replacement to help create a more balanced system of school finance. The Task Force recommends a combination of increasing the state sales tax by one penny (from 5% to 6%) and an expansion of the sales tax base to generate the \$1.44 billion in revenue necessary to fund this property tax reduction. The Task Force recommends the creation of a separate segregated fund for collection and distribution of the additional sales tax revenue, allowing for future growth to be available for investment in education.

In conjunction with the use of additional sales tax revenue in place of property tax revenue, the Task Force recommends that additional relief be provided to lower income individuals who may otherwise bear a disproportionate burden of such a transition. For example, additional investments in the Homestead Credit or the establishment of a Sales Tax Credit, up to that amount which is necessary to reduce regressivity, are two mechanisms that could deliver tax relief to lower-income individuals.

Finally, the Task Force recommends exploring meaningful mechanisms to ensure that other units of government - which also rely on local property tax dollars - do not use the reduction in school property taxes as an opportunity to increase their own levies and reduce or eliminate the property tax relief delivered under this proposal.

30. The Task Force recommends renaming the “School Tax Levy Credit” the “School Property Tax Relief Credit.”
31. The Task Force recommends a “cost out” study to define what constitutes a sound, basic education and how much it costs to provide it. The study should take into consideration differences in region, and the nature of students served, including districts with disproportionate numbers of economically disadvantaged students, students with disabilities, and students with limited English skills.
32. The Task Force recommends increasing the low revenue ceiling to a level that equals the minimum needed to provide students with the opportunity for a sound, basic education. This may or may not exceed the amount currently set in statute. Strong weight should be given to the results of the cost out study when determining the level of the ceiling.
33. The Task Force recommends renaming the “low revenue ceiling” the “foundation level”.
34. The Task Force recommends increasing the 75% carryover provision of unused revenue limit authority to 100%.
35. The Task Force finds that declining enrollment is a serious problem facing many school districts around the state. The Task Force recommends providing additional relief to declining enrollment school districts, in recognition of the marginal costs associated with

losing a student. One example of such relief would be to change the 75% exemption from a non-recurring to a recurring exemption.

36. The Task Force recommends that all districts, including declining enrollment districts, establish a Master Plan for the future efficient delivery of a sound, basic education based on enrollment projections, requirements for facilities, etc. The plans should be developed with significant public participation and review, updated regularly, and submitted to the DPI for review.

While important for all districts, a formal planning process would require declining enrollment districts to address long-term issues facing them, including reduced state aid, facilities and management issues, issues relating to distance learning and other educational and achievement related matters necessary to ensure a sound, basic education.

37. The Task Force recommends that the categorical aid for transportation be substantially increased to a figure that more accurately reflects districts' transportation costs, especially for long distance transport. The Task Force finds that transportation is a necessary service that is independent of instruction, and that some districts, particularly low density rural districts, spend a larger share of their budgets on transportation than their more compact counterparts. The Task Force recommends that the state's transportation fund be used to pay these costs.
38. The Task Force recommends the establishment of collaboration teams in each of the state's 12 Cooperative Education Service Agencies (CESAs). DPI, DOR, and other state agencies as appropriate should work with CESAs to promote greater collaboration among districts and between school districts and other units of government.
39. To provide additional resources to support instructional activities, the Task Force recommends that school districts, especially those with low enrollments, should explore consolidating services, including administrative and instructional services and multi-district collective bargaining. This consolidation can be achieved through bi- and multi-lateral agreements or through greater use of CESAs.
40. The Task Force recommends implementation of a Wisconsin Incentives for Service Collaboration (WISC) Payment.

Appendix B

Governor's Task Force on Educational Excellence

Recommendations of the Subcommittees

The Chair of the Governor's Task Force on Educational Excellence appointed subcommittees to research and make recommendations to the full Task Force on four key areas relating to the Governor's charge: academic achievement, teacher recruitment and retention, early childhood education, special education.

While the full Task Force decided to emphasize the 40 recommendations described in Sections 1 and 2 of the Final Report, Task Force members felt that the Governor, the Legislature, and the public should be provided with a full list of all of the recommendations developed by the individual subcommittees. Some of the recommendations of the subcommittees did not achieve consensus support from the full Task Force. Others, while important, were viewed as less critical than the 40 main recommendations of the Task Force.

Attached are the complete recommendations of four subcommittees of the Governor's Task Force on Educational Excellence.

Governor's Task Force on Educational Excellence

Academic Achievement Subcommittee

Members

David Hase, Chair
Lois Glover
Andrew Gokee
Pam Johnson
Jeffrey Smith
Rita Tenorio

Recommendations

1. Both the state and local school districts should encourage all schools to promote the importance of a strong and vibrant school climate that provides staff development opportunities regarding tolerance and respect for all children.
2. Similar to its current model academic standards, the state should implement standards for students that stress the importance of a positive school climate that encourages tolerance and respect
3. Create a 10-school pilot program that is focused on districts and/or schools throughout the state that have a significant concentration of students living in poverty to develop an extended year program that is coordinated with other parent and community programs. Specifically, such a program would provide state and/or other funding for districts and/or schools that extend their school year beyond the current, normal 180-day academic year.
4. Increase current revenue limit authority factor for summer school enrollment from 40% count of full-time equivalent (FTE) enrollment to 50%.
5. Create a pilot school for homeless students and students living in poverty that provides a residential/academy environment.
6. Create a pilot program that provides incentives for high poverty districts and/or schools in both rural and urban areas to implement before and after school programs that meet the following criteria: (1) the programs are coordinated with parent and community programs; (2) the programs coordinate other services (e.g. transportation, child care, translation services) to promote greater parental involvement; (3) the programs encourage the creation of parent resource libraries/community campaigns that underscore the importance of helping children learn at home; (4) the programs increase parent volunteer opportunities in school; (5) the programs are coordinated with community health programs; and (6) the programs are coordinated with other related programs such as those required by SAGE.

7. Increase the current \$2,000 payment per each eligible student to \$2,500, beginning in the 2005-06 school year. Index future SAGE payments per pupil annually thereafter to reflect increased school districts costs related to implementing SAGE program.
8. Provide additional funding on the same per student basis to existing SAGE schools that have at least 70% of low-income students that seek to increase the program (and its current requirements related to class size, extended hours, high expectations curriculum and professional development and staff evaluation practices) by one additional grade level each year up until the 8th grade.
9. Permit additional districts/schools to enter into new SAGE contracts with the Department of Public Instruction to begin participation in the program and provide additional state funding on a similar per student basis.
10. Seek additional accountability at the local level from currently participating SAGE schools.
11. Increasing the state bilingual-bicultural categorical aid program to 50% reimbursement of eligible school district costs during the 2005-07 biennium.
12. Providing funding on a per student basis for school districts that do not qualify for bilingual-bicultural categorical aid because they do not enroll a statutorily-set minimum of ELL students under current law. Require that districts receiving these funds use them for bilingual-bicultural education.
13. Increase current \$0.10 reimbursement for each breakfast served to school districts and private schools offering school breakfast programs to \$0.15.
14. Create a pilot program for school districts to initiate school breakfast programs.
15. Recognize the strong correlation between academic achievement and student health and the role school nurses and other health-related staff play in providing quality services to all students.

The full report of the Academic Achievement Subcommittee can be found online at:
http://edexcellence.wisconsin.gov/reports/subcommrpt_academicachievement.pdf

Governor's Task Force on Educational Excellence

Teacher Issues Subcommittee

Members

Timothy Cullen, Chair
Barbara Arnold
Debra Brown
John Drew
Bruce Meredith
Dean Ryerson
Jay Smith

Recommendations

1. The QEO law has not had a positive effect on the educational environment and should be replaced with a system that both teachers and administrators agree will encourage teachers to further develop their teaching skills.
2. Increasing teachers' knowledge and skills related to their teaching responsibilities will improve pupil learning. Linking teacher salary increases to teachers' acquisition of these knowledge and skills better promotes this goal than a system based exclusively on length of service and credits earned.
3. Incentives, including state funding for pilot programs, should also be available to teachers who agree through collective bargaining to implement a compensation plan that is linked to the acquisition of knowledge and skills and improving pupil learning.
4. The increasing school health care costs must be addressed so that the growing costs of fringe benefits do not make the needed improvements in teacher salaries impossible to achieve, or too burdensome for districts and their taxpayers. Reaching agreement on a mechanism that would lead to repeal of the QEO would be a good first step to require teachers and school districts to search for more innovative solutions to a problem that is vexing not only for schools, but for most levels of government and businesses as well. Decisions about changes to health care benefits should respect the fact that health care benefits have been established through the collective bargaining process, often at the expense of higher salaries.

Provided that health care quality remains at a high level, we should identify initiatives to reduce health care costs and allocate savings into salaries (or other mutually agreed upon improvements to the educational environment). Savings achieved through health care reforms should not be viewed as resources to fill budget gaps, but as resources designated for improvements to teacher salaries (or mutually agreed upon alternatives). While health care reforms could provide one source of funds for increasing teacher compensation, they should not be viewed as the only such source.

5. DPI's revision to teacher licensure requirements (PI-34) is an important first step to promote professional development and improve pupil learning. However, PI-34 should not be viewed as the final step or the only solution. Work needs to continue, in Wisconsin and nationally, to develop a system that allows teachers, administrators, and policymakers to measure gains in pupil learning and accurately assess the value added by the educational system.
6. To provide additional resources to support instructional activities, school districts, especially those with low enrollments, should explore consolidating services, including administrative and instructional services, and consider joint collective bargaining. This consolidation can be achieved through bi- and multi-lateral agreements or through greater use of CESAs, which were created to provide a vehicle for sharing services among member districts.
7. Establish a statewide teacher cadet program, modeled after the South Carolina program.
8. Encourage the expansion of future teachers clubs, and distributive education (work-study) and youth apprenticeship programs that expose students to the teaching profession.
9. Create a state-funded forgivable loan program with a required institutional match for undergraduates or graduate students who agree to teach in high need schools.
10. Encourage public and private colleges along with private business to collaborate on expanding alternative licensure programs for adults interested in pursuing a teaching career.
11. Create a separate category under the Minority Precollege Scholarship program for students who participate in eligible precollege programs related to careers in teaching.
12. Create a new minority teacher forgivable loan program for undergraduate teacher education students attending UW-Milwaukee (UWM).
13. Support efforts to increase the number of minority group high school and college graduates.
14. Provide a \$1,500 income tax credit to teachers who teach in high poverty or low enrollment school districts.
15. Implement DPI's proposal, included in its Quality Educator and Retention Initiative (QERI), to provide a categorical aid program to support initial educators.
16. Implement DPI's QERI proposal to provide a state-funded grant to master educators in districts with greater than 50% low-income enrollment to serve as resources to students, staff and the community through seminars, special classes and other special projects.
17. Implement DPI's QERI proposal to expand the current state program which awards \$2,500 annual grants awarded to teachers who receive NBPTS certification to include teachers who receive the master educator's license.
18. Create a specialty within the master teacher license category for teaching in high poverty urban and low enrollment rural districts.

The full report of the Teacher Issues Subcommittee can be found online at:
http://edexcellence.wisconsin.gov/reports/subcommrpt_teachers.pdf

Governor's Task Force on Educational Excellence

Early Childhood Education Subcommittee

Members

Regina Siegel, Chair
Kathleen Adee
Judith Crain
Neil Duresky
Kim Lentz Grau
Mark Hanna
Willie Jude

Recommendations

1. Create a grant program to help cover the implementation costs of four-year-old kindergarten.
2. Expand the scope of the Community Service Levy to allow for local investments in early care and education.
3. Restore funding for the Child Care Resource and Referral System.
4. Expand the Head Start supplement and add a percentage of use for children under age 3.
5. Maintain full funding of four-year-old kindergarten.
6. Maintain full-funding of the Wisconsin Shares Child Care Subsidy Program.
7. Create a refundable state child care tax credit to help families whose income currently exceeds current child care subsidy ceilings and create incentives to improve quality.
8. Expand the Collaboration Coaches initiative (housed in the Department of Public Instruction) to provide regional facilitators who can help communities develop collaborative approaches to offering four-year-old kindergarten and professional development.
9. Conduct a study to identify ways to enhance quality by reducing staff turnover.
10. Extend the SAGE program to four-year-old kindergarten so that class sizes can be reduced and the quality of interaction between children and adults is enhanced.
11. Support the efforts of the Department of Workforce Development to create higher levels of funding for providers who offer higher levels of care (tiered reimbursement within Wisconsin Shares).

12. Adopt the definition of school readiness (ready communities, ready schools, ready children) developed by the Wisconsin School Readiness Indicators Project and Wisconsin Council on Children and Families (see appendix).
13. Restore T.E.A.C.H. Early Childhood® and REWARD project funding.
14. Provide an additional .1 FTE for school districts who adopt “community approaches” to early care and education.
15. Create a pilot program to help communities that adopt “community approaches” to four-year-old kindergarten to receive transportation grants
16. Connect with parents at the time of their baby’s birth through information sharing and home visiting.
17. Explore ways to efficiently administer Wisconsin’s new comprehensive early care and education system.
18. Develop a single, comprehensive data collection system for early childhood education programs.

The full report of the Early Childhood Education Subcommittee can be found online at:
http://edexcellence.wisconsin.gov/reports/subcommrpt_teachers.pdf

Governor's Task Force on Educational Excellence

Special Education Subcommittee

Members

Mark Bugher, Chair
William Andrekopoulos
Jerry Deschane
Tom Hall
Thai Lee
Cecilia Millard
Tim Scobie

Recommendations

1. Explore the possibility of utilizing an alternative-funding source for preK-12 education as part of a comprehensive reorganization of public school funding in Wisconsin.
2. Create a new categorical aid appropriation to reimburse school districts for costs associated with high-cost special education students:
 - Specify that funding for this purpose will derive from (a) repealing existing sales tax exemptions as a means of generating additional revenue; and/or (b) supplanting expenditure authority in existing appropriations as a means of generating funding for this purpose.
 - Specify that funding from any new appropriation would be paid out before funding from appropriation 20.255(2)(b) – Aids for special education and school age parents is distributed.
3. Explore the possibility of providing fiscal relief to school districts for costs incurred by enrolling high-cost special education students after local levies are set. Relief would be retroactive and would be made early in the fiscal year following the fiscal year in which the costs were incurred. This would be similar to the current method of distributing certain categorical aids with the caveat that the relief be granted as early as possible.
4. Direct the Department of Public Instruction, the Department of Health and Family Services, the Department of Workforce Development and other state agencies engaged in the provision of services to individuals with special needs to do the following:
5. Conduct an assessment of existing state resources in the areas of education, health and school-to-work as they apply currently to individuals with special needs.
 - Measure the extent to which state agencies are working together to provide services in the most effective manner possible.

- Specify that agencies should develop a streamlined, nonduplicative process for the provision of services to individuals with special needs. Further specify that the resulting process should reduce duplication of cost and effort.
 - Direct state agencies to engage local governments and school districts in any attempt to streamline existing efforts.
 - Encourage the Department of Public Instruction to continue to work with school districts to provide special education services in the most streamlined and cost-effective manner as possible.
6. Support investments in early childhood as a means of reducing the need for other educational and social services later in adolescence. (Examples of such investments would include SAGE, four-year-old kindergarten and child care.) Grant school districts the maximum possible flexibility to administer early education programs.
 7. Reiterate the importance of parental involvement in the early education of children.
 8. Create a working group or Governor's council consisting of parents, teachers, administrators and interest groups to assess problems in the special education field and promote better awareness and understanding of special education. Charge the group with the specific task of:
 9. Reaffirm that there are considerable federal, state and local accountability measures in place to assess the efficacy of the special education system. These measures include significant reporting and testing requirements that go far beyond what is required with general education. This obviates the need for additional accountability measures.
 10. Encourage standardization in reporting information to the Department of Public Instruction as means of gathering information more effectively. Encourage the department to disseminate the resulting information as widely as possible.
 11. Review the statutes for potentially obsolete passages, particularly section 115.88.

The full report of the Special Education Subcommittee can be found online at:
http://edexcellence.wisconsin.gov/reports/subcommrpt_specialed.pdf

Appendix C

Revenue Loss From Sales and Use Tax Exemptions⁴⁰

SALES AND USE TAX EXEMPTION DEVICES SUMMARY

| Exemption | Statutory Reference* | FY02 Fiscal Effect |
|---|---|--------------------|
| Exemptions for Property Sold Primarily to Households | | |
| Food | s. 77.54 (20) and (20m) | \$455,000,000 |
| Meals Furnished by Institutions of Higher Education | s. 77.54 (20) (c) 5 | 3,500,000 |
| Water Sold Through Mains | s. 77.54 (17) | 23,000,000 |
| Fuel and Electricity for Residential Use | ss. 77.54 (30) (a) 1 and 2 | 99,100,000 |
| Long-Term Rental Payments for Residential Real Estate | s. 77.52 (2) (a) 1 | 215,000,000 |
| Manufactured Homes and Mobile Homes Used as Primary Housing | ss. 77.51 (4) (b) 6 and 7, (15) (b) 5 and 6, 77.54 (31) | 2,000,000 |
| Motor Fuels | s. 77.54 (11) | 240,000,000 |
| Newspapers, Periodicals and Shoppers Guides | s. 77.54 (15) | 15,000,000 |
| Caskets and Burial Vaults | s. 77.54 (21) | 4,100,000 |
| U.S. and State of Wisconsin Flags | s. 77.54 (46) | 100,000 |
| Coin-Operated Laundry and Dry Cleaning Services | s. 77.52 (2) (a) 6 | 2,600,000 |
| Cloth Diapers and Diaper Services | ss. 77.51 (1m) and (3m), 77.52 (2) (a) 6 and 77.54 (40) | 40,000 |
| Exemptions Related to Health Care | | |
| Prescription Drugs and Medicines | s. 77.54 (14) | 107,000,000 |
| Equipment used in the Treatment and Testing of Diabetes | ss. 77.54(14m) and (28) | 1,600,000 |
| Medical Devices (inc. Wheelchairs, Home Oxygen Equipment) | ss. 77.54 (14s) and (22) | 13,500,000 |
| Accommodations Provided by Hospitals, Nursing Homes, Nonprofit Associations and Religious Organizations | ss. 77.52 (2) (a) 1 | 86,100,000 |
| Meals Provided by Nursing Homes Community-Based Residential Facilities and Hospitals, and Food Sold in Retirement Homes | ss. 77.54 (20) (c) 4 | Not applicable |
| Exemptions Related to Farming | | |
| Tractors and Farm Machinery | s. 77.54 (3)(a) | 31,600,000 |
| Electricity Used in Farming | ss. 77.54 (30) (a) 3 | 5,800,000 |
| Fuel Used in Farming | ss. 77.54 (30) (a) 5 | 6,100,000 |
| Veterinary Services and Medicines for Farm Livestock | ss. 77.52 (2) (a) 10 and 77.54 (33) | 5,400,000 |
| Semen for Livestock Breeding | s. 77.54 (27) | 1,900,000 |
| Milkhouse Supplies | s.77.54 (34) | 5,600,000 |
| Exemptions Related to Nonfarm Businesses | | |
| Machinery and Equipment Used in Manufacturing | ss 77.54 (5) (d) and (6) (a) | 167,000,000 |
| Waste Treatment Facilities | s. 77.54 (26) | 20,400,000 |
| Machinery and Equipment Used in Recycling | s. 77.54 (5) (c) and (26m) | Not available |
| Logging Equipment | s. 77.54 (39) | 600,000 |
| Equipment Used in the Production of Maple Syrup | s. 77.54 (29) | Minimal |
| Wood Residue Used as a Fuel in a Business Activity | s. 77.54 (30) (a) 4 | 170,000 |
| Long-Term Rental Payments for Real Estate Used for Business Purposes | s. 77.52 (2) (A) 1 | 365,000,000 |
| Building Materials, Equipment and Supplies Used in the Construction of Professional Sports Stadiums | s. 77.54 (41) | 3,100,000 |
| One-time License or Right to Purchase Admissions to Professional Football Games | s. 77.54 (45) | 170,000 |

SALES AND USE TAX EXEMPTION DEVICES SUMMARY
(continued)

| Exemption | Statutory Reference* | FY02 Fiscal Effect |
|---|-------------------------------------|---------------------------|
| Exemptions Related to Nonfarm Businesses | | |
| Trucks, Tractors, Buses and Other Vehicles Sold to Common or Contract Carriers | s. 77.54 (5) (b) | 20,200,000 |
| Commercial Vessels and Barges | s. 77.54 (13) | 2,200,000 |
| Rolling Stock Used in Railroad Operations | s. 77.54 (12) | 6,600,000 |
| Motion Picture and TV Film and Advertising Materials | s. 77.54 (23m) | 8,200,000 |
| Restaurant Employee Meals | s. 77.54 (20) (c) 4m | Not available |
| Tangible Personal Property Purchased for Resale but Donated to a Nonprofit Organization | s. 77.56 (3) | Not available |
| Prepaid Telephone Cards and Authorization Numbers | s. 77.54 (46m) | Not available |
| Exemptions for Government Agencies and Nonprofit Organizations | | |
| Sales to the Federal Government and Its Agencies | s. 77.55 (1) | Not applicable |
| Sales to State and Local Governments and Schools | s. 77.54 (9a) (a) to (em), (g), (h) | 252,000,000 |
| Volunteer Fire Department Equipment | s. 77.54 (16) | Not available |
| Motor Vehicles Loaned to Driver Education Programs | s. 77.56 (2) | Not available |
| Religious, Charitable, Scientific and Educational Organizations | s. 77.54 (9a) (f) | 86,100,000 |
| Snowmobile Trail Grooming Equipment | s. 77.54 (38) | Minimal |
| Charges for Emergency Telephone Systems | s. 77.54 (37) | 500,000 |
| Admissions to Elementary and Secondary School Activities | s. 77.54 (9) | 600,000 |
| Hot Lunches and Other Tangible Personal Property Sold by Elementary and Secondary Schools | s. 77.54 (4) | 8,500,000 |
| Copies of Public Records | s. 77.54 (32) | Not available |
| Sales of Animal Identification Tags and Samples by the Department of Agriculture, Trade and Consumer Protection | s. 77.54 (42) | 16,000 |
| State Park Admission and Camping Fees | s. 77.54 (10) | 600,000 |
| Admissions to Certain Historical Museums | s. 77.54 (10) | 37,000 |
| Admissions to County Fairs | s. 77.52 (2) (a) 2 | Not available |
| Sales by American Legion Baseball Teams | s. 77.54 (35) | Not available |
| Exemptions for Nonresidents and for Use in Other States | | |
| Interstate Commerce | s. 77.54 (1) | Not applicable |
| Property used in the State by Nonresidents | s. 77.53 (17) | Not available |
| Nonresidents' Boats Berthed in Boundary Waters | s. 77.53 (17m) | Not available |
| Nonresidents' Aircraft Hangared in Wisconsin | s. 77.53 (17r) | Not available |
| Goods Brought into the State by New Residents | s. 77.53 (18) | Not available |
| Property Purchased for Use Outside the State | s. 77.55 (3) | Not available |
| Aircraft Sold for Use in Interstate Commerce | s. 77.54 (5) (a) | Not available |
| Aircraft, Motor Vehicles and Truck Bodies Sold for Use Outside the State | s. 77.54 (5) (a) | Not available |
| Property Sold to Out-of-State Common or Contract Carriers | s. 77.55 (2) and (2m) | Not available |
| Printed Advertising Material Used Outside the State | s. 77.54 (25) | Not available |
| Temporary Storage of Printed Materials | s. 77.54 (43) | Not available |

SALES AND USE TAX EXEMPTION DEVICES SUMMARY
(continued)

| Exemption | Statutory Reference* | FY02 Fiscal Effect |
|--|--|--------------------|
| Definitional and Miscellaneous Exemptions | | |
| Exemptions That Further Define Retail Sales | Various sections (see text) | Not applicable |
| Labor Input into Construction | ss. 77.51 (4) (c) 4 and 77.52 (2) (a) 10 | 450,000,000 |
| Trade-Ins | s. 77.51 (4) (a) 3 | 140,000,000 |
| Transportation Charges | ss. 77.51 (4) (b) 5 and (15) (b) 3 | Not available |
| Occasional Sales | s. 77.54 (7) and (7m) | Not available |
| Auction Sales | ss. 77.51 (9) (e) and 77.54 (7) | Not available |
| Retailer's Discount | s. 77.61 (4) (b) and (c) | 21,500,000 |

* References to sections of the 2001 Wisconsin Statutes.

SALES AND USE TAX EXEMPTIONS-SERVICES

| Exemption | FY02 Fiscal Effect |
|---|--------------------|
| Personal and Recreational Services | |
| Beauty, Barber, Nail and Other Personal Care Services | \$22,600,000 |
| Funeral Services | 10,600,000 |
| Bank Account Service Charges | 19,900,000 |
| Dues and Fees Paid to Business Associations and Fraternal Organizations | 12,500,000 |
| Live Bands and Orchestras | 200,000 |
| Health Clubs | 1,900,000 |
| Admissions to Educational Events and Places | 5,400,000 |
| Veterinary Services for Pets | 12,600,000 |
| Dance Studios | 700,000 |
| Auto and Travel Clubs | 1,900,000 |
| Professional Services | |
| Services of Physicians, Dentists and Other Health Professionals | 320,000,000 |
| Legal Services | 87,000,000 |
| Architectural, Engineering and Surveying Services | 63,000,000 |
| Accounting Services | 50,000,000 |
| Tax Preparation Services | 3,300,000 |
| Business Services | |
| Advertising | 108,800,000 |
| Computer Services (inc. data processing and custom programming) | 151,000,000 |
| Management Consulting and Public Relations | 50,000,000 |
| Personnel Services | 53,000,000 |
| Addressing and Mailing | 8,600,000 |
| Credit Rating and Collection Services | 7,300,000 |
| Protective Services | 13,000,000 |
| Research, Development and Testing Services | 26,000,000 |
| Services Related to Real Property | |
| Commissions to Real Estate Brokers | 46,000,000 |
| Repair of Real Property | 25,000,000 |
| Interior Design | 3,000,000 |
| Janitorial Services | 23,000,000 |
| Disinfecting and Exterminating | 2,300,000 |
| Sewerage Services | 21,300,000 |

Appendix D

Estimated Effect of Property Tax Relief Proposal by District⁴¹

(To achieve an average school levy reduction of 43%, these figures assume that \$1.44 billion was allocated through the existing equalization aid formula in the 2003-04 school year. While the Task Force did not endorse a specific mechanism to achieve the property tax reductions, these results are illustrative of the reductions possible through the Task Force Plan.)

| School District | Percent Decrease in School Levy |
|------------------------|---------------------------------|
| Abbotsford | 44.3% |
| Adams-Friendship | 50.7% |
| Albany | 41.4% |
| Algoma | 49.2% |
| Alma | 55.4% |
| Alma Center | 37.8% |
| Almond-Bancroft | 46.9% |
| Altoona | 40.5% |
| Amery | 46.6% |
| Antigo | 47.4% |
| Appleton Area | 51.9% |
| Arcadia | 38.4% |
| Argyle | 33.5% |
| Arrowhead UHS | 39.6% |
| Ashland | 45.4% |
| Ashwaubenon | 48.6% |
| Athens | 49.0% |
| Auburndale | 48.7% |
| Augusta | 39.2% |
| Baldwin-Woodville | 40.8% |
| Bangor | 44.6% |
| Baraboo | 52.9% |
| Barneveld | 35.3% |
| Barron Area | 43.3% |
| Bayfield | 24.0% |
| Beaver Dam | 45.3% |
| Beecher-Dunbar-Pembine | 3.0% |
| Belleville | 39.1% |
| Belmont Community | 40.0% |
| Beloit | 42.7% |
| Beloit-Turner | 39.5% |
| Benton | 42.1% |
| Berlin Area | 46.4% |
| Big Foot UHS | 0.0% |
| Birchwood | 12.9% |
| Black Hawk (Gratiot) | 45.3% |
| Black River Falls | 57.2% |
| Blair-Taylor | 45.0% |
| Bloomer | 40.8% |
| Bonduel | 50.9% |
| Boscobel | 51.9% |
| Boulder Junction J#1 | 0.0% |

| School District | Percent decrease in school levy |
|-------------------------------|---------------------------------|
| Bowler | 53.5% |
| Boyceville | 41.5% |
| Brighton #1 | 43.9% |
| Brillion | 45.4% |
| Bristol #1 | 48.0% |
| Brodhead | 47.8% |
| Brown Deer | 41.7% |
| Bruce | 51.9% |
| Burlington Area | 58.2% |
| Butternut | 33.4% |
| Cadott Community | 60.0% |
| Cambria-Friesland | 42.6% |
| Cambridge | 33.2% |
| Cameron | 48.9% |
| Campbellsport | 54.6% |
| Cashton | 39.6% |
| Cassville | 44.1% |
| Cedar Grove-Belgium Area | 44.7% |
| Cedarburg | 38.9% |
| Central-Westosha | 40.8% |
| Chetek | 53.2% |
| Chilton | 38.7% |
| Chippewa Falls Area | 49.5% |
| Clayton | 40.9% |
| Clear Lake | 45.2% |
| Clinton Community | 39.1% |
| Clintonville | 41.2% |
| Cochrane-Fountain City | 45.3% |
| Colby | 43.2% |
| Coleman | 56.7% |
| Colfax | 64.6% |
| Columbus | 46.0% |
| Cornell | 43.3% |
| Crandon | 48.8% |
| Crivitz | 44.5% |
| Cuba City | 52.0% |
| Cudahy | 41.5% |
| Cumberland | 47.6% |
| D C Everest Area (Rothschild) | 49.7% |
| Darlington Community | 47.9% |
| De Pere | 39.6% |
| De Soto Area | 42.0% |
| Deerfield Community | 35.2% |
| DeForest Area | 33.9% |
| Delavan-Darien | 59.8% |
| Denmark | 51.5% |
| Dodgeland (Juneau) | 33.4% |
| Dodgeville | 48.1% |
| Dover #1 (Kansasville) | 45.4% |
| Drummond | 0.0% |
| Durand | 42.9% |

| School District | Percent decrease in school levy |
|---------------------------------|---------------------------------|
| East Troy | 51.1% |
| Eau Claire Area | 43.4% |
| Edgar | 52.9% |
| Edgerton | 44.2% |
| Elcho | 11.7% |
| Eleva-Strum | 38.7% |
| Elk Mound Area | 45.0% |
| Elkhart Lake-Glenbeulah | 53.3% |
| Elkhorn Area | 47.3% |
| Ellsworth Community | 49.2% |
| Elmbrook (Brookfield) | 22.3% |
| Elmwood | 36.3% |
| Erin #2 | 50.2% |
| Evansville Community | 40.2% |
| Fall Creek | 41.4% |
| Fall River | 35.1% |
| Fennimore Community | 53.3% |
| Flambeau [Tony] | 33.7% |
| Florence County | 39.9% |
| Fond du Lac | 54.4% |
| Fontana J#8 | 0.0% |
| Fort Atkinson | 44.6% |
| Fox Point J#2 | 9.0% |
| Franklin | 34.2% |
| Frederic | 40.5% |
| Freedom Area | 46.8% |
| Friess Lake [Richfield J#11] | 41.6% |
| Galesville-Ettrick | 54.2% |
| Geneva J#4 | 0.0% |
| Genoa City J#2 | 46.7% |
| Germantown | 38.8% |
| Gibraltar Area | 0.0% |
| Gillett | 57.5% |
| Gilman | 47.1% |
| Gilmanton | 43.0% |
| Glendale-River Hills [Glnl J#1] | 2.5% |
| Glenwood City | 44.0% |
| Glidden (Jacobs) | 33.8% |
| Goodman-Armstrong | 30.5% |
| Grafton | 39.2% |
| Granton Area | 58.2% |
| Grantsburg | 44.8% |
| Green Bay Area | 47.2% |
| Green Lake | 0.0% |
| Greendale | 34.1% |
| Greenfield | 45.9% |
| Greenwood | 43.8% |
| Hamilton (Lisbon) [Sussex] | 38.3% |
| Hartford J#1 | 42.7% |
| Hartford UHS | 33.9% |
| Hartland-Lakeside J#3 | 37.1% |

| School District | Percent decrease in school levy |
|----------------------------|---------------------------------|
| Hayward Community | 54.9% |
| Herman #22 | 6.8% |
| Highland | 34.3% |
| Hilbert | 47.0% |
| Hillsboro | 51.2% |
| Holmen | 37.8% |
| Horicon | 49.5% |
| Hortonville | 45.1% |
| Howards Grove | 41.8% |
| Howard-Suamico | 46.1% |
| Hudson | 45.0% |
| Hurley | 42.4% |
| Hustisford | 42.8% |
| Independence | 33.1% |
| Iola-Scandanavia | 51.0% |
| Iowa-Grant [Livingston] | 41.0% |
| Ithaca | 43.8% |
| Janesville | 52.1% |
| Jefferson | 45.5% |
| Johnson Creek | 36.9% |
| Juda (Jefferson) | 32.5% |
| Kaukauna Area | 44.9% |
| Kenosha | 48.5% |
| Kettle Moraine (Delafield) | 40.9% |
| Kewaskum | 50.3% |
| Kewaunee | 47.0% |
| Kickapoo Area (Viola) | 42.5% |
| Kiel Area | 45.2% |
| Kimberly Area | 45.8% |
| Kohler | 13.0% |
| La Crosse | 45.0% |
| La Farge | 36.4% |
| Lac du Flambeau #1 | 35.8% |
| Ladysmith-Hawkins | 33.5% |
| Lake Country [Nashotah] | 5.2% |
| Lake Geneva J#1 | 53.1% |
| Lake Geneva-Genoa City UHS | 28.8% |
| Lake Holcombe | 45.4% |
| Lake Mills Area | 47.1% |
| Lakeland UHS (Minocqua) | 0.0% |
| Lancaster Community | 44.4% |
| Laona | 34.9% |
| Lena | 57.0% |
| Linn J#4 [Traver] | 0.0% |
| Linn J#6 [Reek] | 0.0% |
| Little Chute Area | 43.4% |
| Lodi | 38.9% |
| Lomira | 46.2% |
| Loyal | 51.9% |
| Luck | 54.6% |
| Luxemburg-Casco | 52.5% |

| School District | Percent decrease in school levy |
|-----------------------------------|---------------------------------|
| Madison Metropolitan | 36.6% |
| Manawa | 41.5% |
| Manitowoc | 57.6% |
| Maple | 53.3% |
| MapleDale-Indian Hill [Fx Pt J#8] | 0.0% |
| Marathon City | 55.8% |
| Marinette | 45.9% |
| Marion | 57.1% |
| Markesan | 41.6% |
| Marshall | 37.4% |
| Marshfield | 55.1% |
| Mauston | 36.8% |
| Mayville | 49.4% |
| McFarland | 36.9% |
| Medford Area | 51.3% |
| Mellen | 35.0% |
| Melrose-Mindoro | 43.7% |
| Menasha | 47.7% |
| Menominee Indian | 57.4% |
| Menomonee Falls | 41.2% |
| Menomonie Area | 44.3% |
| Mequon-Thiensville | 28.9% |
| Mercer | 0.0% |
| Merrill Area | 45.9% |
| Merton Community [Merton J#9] | 46.7% |
| Middleton-Cross Plains | 39.3% |
| Milton | 54.0% |
| Milwaukee (*1) | 52.3% |
| Mineral Point | 37.9% |
| Minocqua J#1 | 20.3% |
| Mishicot | 52.6% |
| Mondovi | 50.3% |
| Monona Grove [Monona] | 34.5% |
| Monroe | 36.3% |
| Montello | 55.2% |
| Monticello | 47.1% |
| Mosinee | 52.5% |
| Mount Horeb Area | 46.9% |
| Mukwonago | 49.1% |
| Muskego-Norway | 37.4% |
| Necedah Area | 37.6% |
| Neenah | 48.9% |
| Neillsville | 51.5% |
| Nekoosa | 57.6% |
| Neosho J#3 | 47.8% |
| New Auburn | 39.3% |
| New Berlin | 34.8% |
| New Glarus | 38.1% |
| New Holstein | 56.6% |
| New Lisbon | 41.3% |
| New London | 50.8% |

| School District | Percent decrease in school levy |
|----------------------------------|---------------------------------|
| New Richmond | 51.1% |
| Niagara | 35.0% |
| Nicolet UHS (Glendale) | 0.0% |
| Norris (Vernon) | 8.5% |
| North Cape [Raymond J#1] | 56.2% |
| North Crawford [Gays Mills] | 36.5% |
| North Fond du Lac | 51.3% |
| North Lake [Merton J#7] | 36.1% |
| Northern Ozaukee [Fredonia] | 40.6% |
| Northland Pines (Eagle River) | 0.0% |
| Northwood (Minong) | 20.3% |
| Norwalk-Ontario-Wilton | 37.0% |
| Norway J#7 [Drought] | 32.9% |
| Oak Creek-Franklin | 49.6% |
| Oakfield | 42.1% |
| Oconomowoc Area | 36.6% |
| Oconto | 47.2% |
| Oconto Falls | 48.7% |
| Omro | 43.5% |
| Onalaska | 50.7% |
| Oostburg | 51.7% |
| Oregon | 34.7% |
| Osceola | 50.7% |
| Oshkosh Area | 57.7% |
| Osseo-Fairchild | 35.2% |
| Owen-Withee | 59.4% |
| Palmyra-Eagle Area | 40.0% |
| Pardeeville Area | 54.9% |
| Paris J#1 | 43.5% |
| Park Falls | 55.2% |
| Parkview (Orfordville) | 51.1% |
| Pecatonica Area (Blanchardville) | 44.7% |
| Pepin Area | 38.1% |
| Peshtigo | 54.0% |
| Pewaukee | 34.8% |
| Phelps | 0.0% |
| Phillips | 57.3% |
| Pittsville | 52.5% |
| Platteville | 45.2% |
| Plum City | 38.3% |
| Plymouth | 57.6% |
| Port Edwards | 40.1% |
| Port Washington-Saukville | 41.3% |
| Portage Community | 48.3% |
| Potosi | 39.1% |
| Poynette | 48.3% |
| Prairie du Chien Area | 44.1% |
| Prairie Farm | 41.2% |
| Prentice | 43.9% |
| Prescott | 48.3% |
| Princeton | 52.5% |

| School District | Percent decrease in school levy |
|---------------------------------|---------------------------------|
| Pulaski Community | 40.9% |
| Racine | 62.3% |
| Randall J#1 [Bassett] | 51.1% |
| Randolph | 40.1% |
| Random Lake | 50.6% |
| Raymond #14 | 54.1% |
| Reedsburg | 52.2% |
| Reedsville | 44.6% |
| Rhineland | 46.9% |
| Rib Lake | 51.4% |
| Rice Lake Area | 55.8% |
| Richfield J#1 | 42.4% |
| Richland [Richland Center] | 37.7% |
| Richmond [Lisbon J#2] | 31.6% |
| Rio Community | 51.7% |
| Ripon | 42.1% |
| River Falls | 43.8% |
| River Ridge [Patch Grove] | 38.7% |
| River Valley (Spring Green) | 49.5% |
| Riverdale (Muscoda) | 47.2% |
| Rosendale-Brandon | 42.4% |
| Rosholt | 44.4% |
| Royall [Elroy] | 42.1% |
| Rubicon J#6 [Saylesville] | 47.0% |
| Saint Croix Central (Hammond) | 45.8% |
| Saint Croix Falls | 51.0% |
| Saint Francis | 44.1% |
| Salem J#2 [Paddock Lake] | 53.2% |
| Sauk Prairie [Prairie du Sac] | 47.7% |
| Seneca | 50.4% |
| Sevastopol | 0.0% |
| Seymour Community | 53.0% |
| Sharon J#11 | 39.9% |
| Shawano-Gresham | 56.0% |
| Sheboygan Area | 40.5% |
| Sheboygan Falls | 51.2% |
| Shell Lake | 45.4% |
| Shiocton | 44.2% |
| Shorewood | 34.7% |
| Shullsburg | 45.3% |
| Silver Lake J#1 | 47.6% |
| Siren | 40.4% |
| Slinger | 47.1% |
| Solon Springs | 37.0% |
| Somerset | 39.1% |
| South Milwaukee | 43.5% |
| South Shore (Port Wing) | 13.3% |
| Southern Door County [Brussels] | 50.8% |
| Southwestern Wis (Hazel Green) | 56.0% |
| Sparta Area | 42.1% |
| Spencer | 46.2% |

| School District | Percent decrease in school levy |
|---------------------------------|---------------------------------|
| Spooner | 51.4% |
| Spring Valley | 38.7% |
| Stanley-Boyd Area | 50.0% |
| Stevens Point Area | 53.8% |
| Stockbridge | 41.4% |
| Stone Bank [Merton J#4] | 1.9% |
| Stoughton Area | 49.3% |
| Stratford | 51.9% |
| Sturgeon Bay | 53.9% |
| Sun Prairie Area | 42.1% |
| Superior | 49.7% |
| Suring | 28.1% |
| Swallow [Merton J#8] | 27.5% |
| Thorp | 49.4% |
| Three Lakes | 0.0% |
| Tigerton | 38.0% |
| Tomah Area | 57.3% |
| Tomahawk | 52.8% |
| Tomorrow River (Amherst) | 48.7% |
| Trevor [Salem #7] | 34.1% |
| Tri-County Area (Plainfield) | 54.4% |
| Turtle Lake | 39.6% |
| Twin Lakes #4 | 43.1% |
| Two Rivers | 45.0% |
| Union Grove J#1 | 47.0% |
| Union Grove UHS | 37.1% |
| Unity (Milltown) [Balsam Lake] | 52.6% |
| Valders | 38.8% |
| Verona Area | 36.2% |
| Viroqua Area | 49.4% |
| Wabeno Area | 37.8% |
| Walworth J#1 | 47.9% |
| Washburn | 53.5% |
| Washington [Washington Island] | 0.0% |
| Washington-Caldwell [WrtfT J#1] | 65.8% |
| Waterford UHS | 39.4% |
| Waterford V J#1 | 46.1% |
| Waterloo | 47.5% |
| Watertown | 51.2% |
| Waukesha | 47.6% |
| Waunakee Community | 45.0% |
| Waupaca | 50.7% |
| Waupun | 46.2% |
| Wausau | 43.2% |
| Wausaukee | 30.0% |
| Wautoma Area | 47.6% |
| Wauwatosa | 55.8% |
| Wauzeka-Steuben et al | 36.0% |
| Webster | 0.0% |
| West Allis | 46.4% |
| West Bend | 59.7% |

| School District | Percent decrease in school levy |
|---------------------------------|---------------------------------|
| West De Pere [De Pere] | 39.0% |
| West Salem | 41.1% |
| Westby Area | 40.1% |
| Westfield | 52.7% |
| Weston (Ironston) [Cazenovia] | 40.7% |
| Weyauwega-Fremont | 54.8% |
| Weyerhaeuser Area | 33.7% |
| Wheatland J#1 | 41.2% |
| White Lake | 31.9% |
| Whitefish Bay | 39.0% |
| Whitehall | 44.1% |
| Whitewater | 46.5% |
| Whitnall [Hales Corners] | 41.3% |
| Wild Rose | 48.4% |
| Williams Bay | 0.0% |
| Wilmot Grade School [Salem J#9] | 37.1% |
| Wilmot UHS (Salem) | 41.1% |
| Winneconne Community | 47.3% |
| Winter | 20.0% |
| Wisconsin Dells | 48.0% |
| Wisconsin Heights (Black Earth) | 40.6% |
| Wisconsin Rapids | 52.5% |
| Wittenberg-Birnamwood | 58.4% |
| Wonewoc-Union Center | 48.8% |
| Woodruff J#1 | 24.1% |
| Wrightstown Community | 43.9% |
| Yorkville J#2 | 54.0% |
| | |
| STATE TOTALS (*2) | 42.8% |

Appendix E

Estimated Fiscal Effect of Various Proposals by District⁴²

(Note: These figures are highly speculative, and describe the fiscal effect of various Task Force recommendations as if they had been enacted into law in 2003-04.)

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|------------------------|-------------------------------------|--|------------------------|--|---|
| ABBOTSFORD | \$ 45,367 | \$ 958 | \$ 44,000 | \$ - | \$ 91,391 |
| ADAMS-FRIENDSHIP AREA | \$ 252,129 | \$ 98,834 | \$ 165,000 | \$ - | \$ 7,855 |
| ALBANY | \$ 29,857 | \$ 22,658 | \$ - | \$ - | \$ - |
| ALGOMA | \$ 38,291 | \$ 37,188 | \$ 20,500 | \$ - | \$ 196,695 |
| ALMA | \$ 55,970 | \$ 10,766 | \$ 11,500 | \$ - | \$ 88,770 |
| ALMA CENTER | \$ 48,338 | \$ 22,776 | \$ 47,000 | \$ - | \$ - |
| ALMOND-BANCROFT | \$ 69,280 | \$ 11,939 | \$ 31,500 | \$ - | \$ 37,000 |
| ALTOONA | \$ 62,756 | \$ 1,944 | \$ 76,500 | \$ - | \$ 15,709 |
| AMERY | \$ 222,956 | \$ 82,857 | \$ 79,500 | \$ - | \$ 81,429 |
| ANTIGO | \$ 312,573 | \$ 186,382 | \$ 179,500 | \$ - | \$ 251,417 |
| APPLETON AREA | \$ 332,245 | \$ 753,213 | \$ 291,500 | \$ 618,013 | \$ - |
| ARCADIA | \$ 101,838 | \$ 38,228 | \$ 51,500 | \$ - | \$ - |
| ARGYLE | \$ 19,307 | \$ 8,773 | \$ 10,250 | \$ - | \$ 82,313 |
| ARROWHEAD UHS | \$ 200,025 | \$ 142,444 | \$ - | \$ - | \$ - |
| ASHLAND | \$ 237,117 | \$ 106,351 | \$ 164,000 | \$ - | \$ 55,345 |
| ASHWAUBENON | \$ 106,353 | \$ 145,284 | \$ - | \$ - | \$ 334,921 |
| ATHENS | \$ 78,372 | \$ 425 | \$ 22,500 | \$ - | \$ 17,453 |
| AUBURNDALE | \$ 125,094 | \$ 37,194 | \$ 25,500 | \$ - | \$ 118,400 |
| AUGUSTA | \$ 64,463 | \$ 1,730 | \$ 41,500 | \$ - | \$ 48,654 |
| BALDWIN-WOODVILLE AREA | \$ 131,932 | \$ 60,058 | \$ 34,000 | \$ - | \$ - |
| BANGOR | \$ 71,782 | \$ 30,266 | \$ - | \$ - | \$ 108,031 |
| BARABOO | \$ 180,073 | \$ 141,125 | \$ 24,500 | \$ - | \$ 148,000 |
| BARNEVELD | \$ 24,901 | \$ 21,167 | \$ 4,800 | \$ - | \$ 36,276 |
| BARRON AREA | \$ 155,354 | \$ 45,179 | \$ 95,500 | \$ - | \$ 275,769 |
| BAYFIELD | \$ 44,263 | \$ 26,714 | \$ 44,000 | \$ - | \$ 99,448 |
| BEAVER DAM | \$ 122,729 | \$ 187,211 | \$ 99,500 | \$ 29,107 | \$ 40,800 |
| BEECHER-DUNBAR-PEMBINE | \$ 40,027 | \$ 8,244 | \$ 21,000 | \$ - | \$ 116,953 |
| BELLEVILLE | \$ 48,014 | \$ 51,336 | \$ - | \$ - | \$ - |
| BELMONT COMMUNITY | \$ 25,280 | \$ 8,804 | \$ 9,750 | \$ - | \$ 92,901 |
| BELOIT | \$ 81,989 | \$ 492,170 | \$ 246,000 | \$ 47,337 | \$ - |
| BELOIT TURNER | \$ 85,504 | \$ 57,264 | \$ - | \$ - | \$ - |
| BENTON | \$ 10,459 | \$ 7,736 | \$ 13,500 | \$ - | \$ 16,153 |
| BERLIN AREA | \$ 174,356 | \$ 41,832 | \$ - | \$ - | \$ 88,800 |
| BIG FOOT UHS | \$ 45,330 | \$ 11,921 | \$ - | \$ - | \$ - |
| BIRCHWOOD | \$ 33,150 | \$ 16,814 | \$ 23,500 | \$ - | \$ 44,887 |
| BLACK HAWK | \$ 84,429 | \$ 24,971 | \$ 22,000 | \$ - | \$ 119,587 |
| BLACK RIVER FALLS | \$ 205,878 | \$ 84,743 | \$ 102,500 | \$ - | \$ 37,000 |
| BLAIR-TAYLOR | \$ 70,443 | \$ 30,354 | \$ 37,000 | \$ - | \$ - |

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|--------------------------|--|---|--------------------------------|---|--|
| BLOOMER | \$ 104,254 | \$ 765 | \$ 48,000 | \$ - | \$ 123,877 |
| BONDUEL | \$ 115,695 | \$ 32,760 | \$ 33,500 | \$ - | \$ 84,236 |
| BOSCOBEL AREA SCHOOLS | \$ 56,681 | \$ 49,706 | \$ 63,500 | \$ - | \$ 61,516 |
| BOULDER JUNCTION J1 | \$ 38,053 | \$ 13,314 | \$ 7,500 | \$ - | \$ 150,280 |
| BOWLER | \$ 61,870 | \$ 34,117 | \$ 25,000 | \$ - | \$ 139,150 |
| BOYCEVILLE COMMUNITY | \$ 95,782 | \$ 31,448 | \$ 39,000 | \$ - | \$ 99,745 |
| BRIGHTON #1 | \$ 17,965 | \$ 9,690 | \$ - | \$ - | \$ - |
| BRILLION | \$ 78,298 | \$ 22,173 | \$ - | \$ - | \$ - |
| BRISTOL #1 | \$ 37,374 | \$ 18,349 | \$ - | \$ - | \$ - |
| BRODHEAD | \$ 67,940 | \$ 59,927 | \$ - | \$ - | \$ 7,706 |
| BROWN DEER | \$ 51,005 | \$ 68,072 | \$ - | \$ - | \$ - |
| BRUCE | \$ 85,678 | \$ 222 | \$ 39,000 | \$ - | \$ - |
| BURLINGTON AREA | \$ 382,256 | \$ 1,984 | \$ - | \$ 15,443 | \$ - |
| BUTTERNUT | \$ 15,191 | \$ 10,843 | \$ - | \$ - | \$ 73,718 |
| CADOTT COMMUNITY | \$ 84,983 | \$ 613 | \$ 36,000 | \$ - | \$ 118,400 |
| CAMBRIA-FRIESLAND | \$ 39,067 | \$ 18,442 | \$ 18,500 | \$ - | \$ 32,061 |
| CAMBRIDGE | \$ 63,910 | \$ 60,655 | \$ - | \$ - | \$ 40,442 |
| CAMERON | \$ 60,530 | \$ 22,630 | \$ 32,500 | \$ - | \$ 15,426 |
| CAMPBELLSPORT | \$ 178,065 | \$ 57,795 | \$ 10,500 | \$ - | \$ - |
| CASHTON | \$ 52,928 | \$ 19,049 | \$ 33,300 | \$ - | \$ 63,261 |
| CASSVILLE | \$ 32,603 | \$ 10,118 | \$ - | \$ - | \$ 41,658 |
| CEDAR GROVE-BELGIUM AREA | \$ 81,624 | \$ 40,996 | \$ - | \$ - | \$ 61,117 |
| CEDARBURG | \$ 131,531 | \$ 139,979 | \$ - | \$ - | \$ - |
| CENTRAL/WESTOSHA UHS | \$ 70,621 | \$ 27,254 | \$ - | \$ - | \$ - |
| CHETEK | \$ 103,138 | \$ 28,162 | \$ 58,500 | \$ - | \$ - |
| CHILTON | \$ 99,000 | \$ 7,569 | \$ - | \$ - | \$ 206,477 |
| CHIPPEWA FALLS AREA | \$ 489,820 | \$ 172,082 | \$ 33,500 | \$ - | \$ - |
| CLAYTON | \$ 29,523 | \$ 12,473 | \$ 22,500 | \$ - | \$ - |
| CLEAR LAKE | \$ 76,404 | \$ 24,870 | \$ 22,500 | \$ - | \$ 100,459 |
| CLINTON COMMUNITY | \$ 130,428 | \$ 78,471 | \$ - | \$ - | \$ - |
| CLINTONVILLE | \$ 142,963 | \$ 89,543 | \$ 80,000 | \$ - | \$ 144,595 |
| COCHRANE-FOUNTAIN CITY | \$ 118,422 | \$ 25,732 | \$ 17,000 | \$ - | \$ 103,145 |
| COLBY | \$ 120,911 | \$ 47,802 | \$ 53,500 | \$ - | \$ 54,121 |
| COLEMAN | \$ 115,818 | \$ 23,936 | \$ 42,000 | \$ - | \$ - |
| COLFAX | \$ 102,784 | \$ 33,705 | \$ - | \$ - | \$ 14,800 |
| COLUMBUS | \$ 62,043 | \$ 59,485 | \$ - | \$ - | \$ 90,386 |
| CORNELL | \$ 45,037 | \$ 1,765 | \$ 38,000 | \$ - | \$ 15,073 |
| CRANDON | \$ 107,867 | \$ 41,549 | \$ - | \$ - | \$ 105,771 |
| CRIVITZ | \$ 118,724 | \$ 27,303 | \$ 46,000 | \$ - | \$ 47,168 |
| CUBA CITY | \$ 79,435 | \$ 31,203 | \$ - | \$ - | \$ 175,627 |

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|-------------------------|--|---|--------------------------------|---|--|
| CUDAHY | \$ - | \$ 173,466 | \$ 135,250 | \$ - | \$ 317,534 |
| CUMBERLAND | \$ 148,101 | \$ 48,361 | \$ 72,500 | \$ - | \$ 107,623 |
| D C EVEREST AREA | \$ 531,580 | \$ 201,768 | \$ - | \$ 87,451 | \$ - |
| DARLINGTON COMMUNITY | \$ 105,850 | \$ 34,948 | \$ - | \$ - | \$ 70,043 |
| DEERFIELD COMMUNITY | \$ 30,929 | \$ 39,068 | \$ - | \$ - | \$ 89,699 |
| DEFOREST AREA | \$ 160,342 | \$ 165,542 | \$ - | \$ - | \$ - |
| DELAVAN-DARIEN | \$ 210,498 | \$ 30,017 | \$ - | \$ 183,036 | \$ - |
| DENMARK | \$ 173,425 | \$ 60,390 | \$ - | \$ - | \$ 80,847 |
| DEPERE | \$ 106,380 | \$ 71,139 | \$ - | \$ - | \$ - |
| DESOTO AREA | \$ 90,961 | \$ 25,120 | \$ - | \$ - | \$ 45,050 |
| DODGELAND | \$ 80,782 | \$ 44,047 | \$ 35,500 | \$ - | \$ - |
| DODGEVILLE | \$ 83,573 | \$ 72,615 | \$ 47,500 | \$ - | \$ - |
| DOVER #1 | \$ 3,723 | \$ - | \$ 2,500 | \$ - | \$ - |
| DRUMMOND | \$ 110,859 | \$ 13,928 | \$ 28,000 | \$ - | \$ 66,675 |
| DURAND | \$ 165,604 | \$ 78,950 | \$ 41,500 | \$ - | \$ 161,536 |
| EAST TROY COMMUNITY | \$ 124,682 | \$ 16,514 | \$ - | \$ - | \$ 22,038 |
| EAU CLAIRE AREA | \$ 557,172 | \$ 562,631 | \$ 490,000 | \$ 319,032 | \$ 723,367 |
| EDGAR | \$ 58,478 | \$ 1,364 | \$ 15,000 | \$ - | \$ 15,437 |
| EDGERTON | \$ 124,035 | \$ 144,401 | \$ - | \$ - | \$ - |
| ELCHO | \$ 54,835 | \$ 24,063 | \$ 23,000 | \$ - | \$ 69,643 |
| ELEVA-STRUM | \$ 68,290 | \$ 20,453 | \$ 22,000 | \$ - | \$ 121,552 |
| ELK MOUND AREA | \$ 88,278 | \$ 39,917 | \$ - | \$ - | \$ - |
| ELKHART LAKE-GLENBEULAH | \$ 37,170 | \$ 23,190 | \$ - | \$ - | \$ - |
| ELKHORN AREA | \$ 215,338 | \$ 24,842 | \$ - | \$ 31,629 | \$ - |
| ELLSWORTH COMMUNITY | \$ 256,250 | \$ 86,577 | \$ 53,500 | \$ - | \$ 150,024 |
| ELMBROOK | \$ 548,392 | \$ 533,802 | \$ - | \$ - | \$ - |
| ELMWOOD | \$ 35,170 | \$ 8,031 | \$ 11,500 | \$ - | \$ 88,989 |
| ERIN #2 | \$ 31,762 | \$ 14,553 | \$ - | \$ - | \$ - |
| EVANSVILLE COMMUNITY | \$ 95,577 | \$ 79,299 | \$ 31,750 | \$ - | \$ - |
| FALL CREEK | \$ 83,363 | \$ 54 | \$ - | \$ - | \$ - |
| FALL RIVER | \$ 27,694 | \$ 14,447 | \$ - | \$ - | \$ - |
| FENNIMORE COMMUNITY | \$ 48,508 | \$ 32,601 | \$ 32,000 | \$ - | \$ 177,600 |
| FLAMBEAU | \$ 120,513 | \$ 738 | \$ 50,000 | \$ - | \$ 17,969 |
| FLORENCE | \$ 117,436 | \$ 30,215 | \$ 30,000 | \$ - | \$ 197,975 |
| FOND DU LAC | \$ 137,958 | \$ 384,406 | \$ 263,500 | \$ 57,802 | \$ - |
| FONTANA J8 | \$ 20,095 | \$ 1,067 | \$ 8,250 | \$ - | \$ - |
| FORT ATKINSON | \$ 152,218 | \$ 127,334 | \$ - | \$ - | \$ 90,113 |
| FOX POINT J2 | \$ 41,263 | \$ 49,668 | \$ - | \$ - | \$ - |
| FRANKLIN | \$ 254,663 | \$ 230,252 | \$ - | \$ 52,365 | \$ - |
| FREDERIC | \$ 47,176 | \$ 12,711 | \$ 42,500 | \$ - | \$ - |
| FREEDOM AREA | \$ 226,948 | \$ 74,434 | \$ - | \$ - | \$ - |
| FRIESS LAKE | \$ 17,205 | \$ 9,824 | \$ - | \$ - | \$ - |
| GALESVILLE-ETTRICK | \$ 126,958 | \$ 52,690 | \$ 42,500 | \$ - | \$ 111,000 |

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|----------------------|--|---|--------------------------------|---|--|
| GENEVA J4 | \$ - | \$ 65 | \$ - | \$ - | \$ - |
| GENOA CITY J2 | \$ 29,947 | \$ 3,255 | \$ - | \$ - | \$ - |
| GERMANTOWN | \$ 383,324 | \$ 201,435 | \$ - | \$ - | \$ - |
| GIBRALTAR AREA | \$ 102,757 | \$ 44,047 | \$ - | \$ - | \$ 144,881 |
| GILLET | \$ 90,427 | \$ 3,441 | \$ 27,750 | \$ - | \$ 51,827 |
| GILMAN | \$ 79,833 | \$ 531 | \$ 35,500 | \$ - | \$ 68,550 |
| GILMANTON | \$ 25,211 | \$ 8 | \$ - | \$ - | \$ 61,419 |
| GLENDALE-RIVER HILLS | \$ 59,182 | \$ 60,211 | \$ - | \$ - | \$ 170,079 |
| GLENWOOD CITY | \$ 80,440 | \$ 47,648 | \$ - | \$ - | \$ 134,133 |
| GLIDDEN | \$ 31,281 | \$ 12,210 | \$ 12,500 | \$ - | \$ 45,459 |
| GOODMAN-ARMSTRONG | \$ 17,141 | \$ 5,695 | \$ 14,000 | \$ - | \$ 62,451 |
| GRAFTON | \$ 86,860 | \$ 127,674 | \$ - | \$ - | \$ - |
| GRANTON AREA | \$ 22,266 | \$ 464 | \$ 14,000 | \$ - | \$ 106,649 |
| GRANTSBURG | \$ 111,102 | \$ 32,309 | \$ 56,500 | \$ - | \$ - |
| GREEN BAY AREA | \$ 755,229 | \$ 1,466,567 | \$ 874,500 | \$ 1,479,779 | \$ - |
| GREEN LAKE | \$ 26,002 | \$ 12,420 | \$ - | \$ - | \$ - |
| GREENDALE | \$ 50,671 | \$ 96,316 | \$ 15,000 | \$ - | \$ - |
| GREENFIELD | \$ 130,929 | \$ 178,317 | \$ - | \$ - | \$ - |
| GREENWOOD | \$ 54,956 | \$ 3,787 | \$ 19,500 | \$ - | \$ 143,597 |
| HAMILTON | \$ 330,981 | \$ 138,144 | \$ - | \$ - | \$ - |
| HARTFORD J1 | \$ 70,991 | \$ 109,931 | \$ 77,600 | \$ - | \$ - |
| HARTFORD UHS | \$ 177,782 | \$ 60,752 | \$ - | \$ - | \$ 18,396 |
| HARTLAND-LAKESIDE J3 | \$ 65,247 | \$ 86,050 | \$ - | \$ - | \$ - |
| HAYWARD COMMUNITY | \$ 221,048 | \$ 95,215 | \$ 134,500 | \$ - | \$ - |
| HERMAN #22 | \$ 11,686 | \$ 298 | \$ - | \$ - | \$ 39,868 |
| HIGHLAND | \$ 11,807 | \$ 10,845 | \$ 3,000 | \$ - | \$ 136,606 |
| HILBERT | \$ 45,245 | \$ 10,937 | \$ - | \$ - | \$ 39,560 |
| HILLSBORO | \$ 56,583 | \$ 21,666 | \$ 28,500 | \$ - | \$ 37,000 |
| HOLMEN | \$ 233,721 | \$ 165,467 | \$ 59,000 | \$ 60,785 | \$ - |
| HORICON | \$ 64,915 | \$ 35,042 | \$ - | \$ - | \$ 149,598 |
| HORTONVILLE | \$ 296,064 | \$ 93,892 | \$ - | \$ - | \$ - |
| HOWARDS GROVE | \$ 66,701 | \$ 30,635 | \$ - | \$ - | \$ 65,317 |
| HOWARD-SUAMICO | \$ 418,415 | \$ 169,099 | \$ - | \$ 12,294 | \$ - |
| HUDSON | \$ 368,438 | \$ 225,335 | \$ - | \$ - | \$ - |
| HURLEY | \$ 132,797 | \$ 34,103 | \$ - | \$ - | \$ - |
| HUSTISFORD | \$ 31,410 | \$ 17,532 | \$ - | \$ - | \$ - |
| INDEPENDENCE | \$ 28,353 | \$ 17,451 | \$ 16,000 | \$ - | \$ - |
| IOLA-SCANDINAVIA | \$ 62,423 | \$ 16,378 | \$ - | \$ - | \$ 59,688 |
| IOWA-GRANT | \$ 118,774 | \$ 36,289 | \$ - | \$ - | \$ 171,216 |
| ITHACA | \$ 44,856 | \$ 12,184 | \$ 9,500 | \$ - | \$ 17,365 |

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|------------------------|--|---|--------------------------------|---|--|
| JANESVILLE | \$ 120,961 | \$ 615,831 | \$ 168,500 | \$ 119,079 | \$ 237,887 |
| JEFFERSON | \$ 138,147 | \$ 101,744 | \$ - | \$ - | \$ - |
| JOHNSON CREEK | \$ 33,370 | \$ 32,936 | \$ - | \$ - | \$ 45,918 |
| JUDA | \$ 16,387 | \$ 10,331 | \$ - | \$ - | \$ - |
| KAUKAUNA AREA | \$ 192,989 | \$ 176,640 | \$ 89,500 | \$ 67,432 | \$ - |
| KENOSHA | \$ 796,208 | \$ 1,146,987 | \$ 446,000 | \$ 571,397 | \$ - |
| KETTLE MORaine | \$ 427,818 | \$ 203,865 | \$ 14,500 | \$ - | \$ - |
| KEWASKUM | \$ 204,834 | \$ 92,683 | \$ - | \$ - | \$ - |
| KEWAUNEE | \$ 121,578 | \$ 54,403 | \$ - | \$ - | \$ 30,686 |
| KICKAPOO AREA | \$ 46,480 | \$ 23,361 | \$ 23,000 | \$ - | \$ 16,061 |
| KIEL AREA | \$ 128,951 | \$ 20,444 | \$ - | \$ - | \$ 53,082 |
| KIMBERLY AREA | \$ 144,069 | \$ 134,602 | \$ - | \$ - | \$ - |
| KOHLER | \$ 8,649 | \$ 14,917 | \$ - | \$ - | \$ - |
| LAC DU FLAMBEAU #1 | \$ 25,123 | \$ 39,196 | \$ 73,000 | \$ - | \$ 49,609 |
| LACROSSE | \$ 284,458 | \$ 499,291 | \$ 394,500 | \$ 338,454 | \$ 703,662 |
| LADYSMITH-HAWKINS | \$ 86,351 | \$ 62,083 | \$ 73,500 | \$ - | \$ 267,726 |
| LAFARGE | \$ 20,385 | \$ 14,314 | \$ 18,500 | \$ - | \$ 97,838 |
| LAKE COUNTRY | \$ 41,490 | \$ - | \$ - | \$ - | \$ - |
| LAKE GENEVA J1 | \$ 155,029 | \$ 25,525 | \$ 153,000 | \$ - | \$ - |
| LAKE GENEVA-GENOA UHS | \$ 134,076 | \$ 1,892 | \$ - | \$ 157,624 | \$ - |
| LAKE HOLCOMBE | \$ 54,829 | \$ 653 | \$ 24,000 | \$ - | \$ 40,167 |
| LAKE MILLS AREA | \$ 67,604 | \$ 75,425 | \$ - | \$ - | \$ 33,442 |
| LAKELAND UHS | \$ 158,484 | \$ 56,367 | \$ - | \$ - | \$ - |
| LANCASTER COMMUNITY | \$ 40,079 | \$ 60,209 | \$ 43,000 | \$ - | \$ 208,582 |
| LAONA | \$ 18,631 | \$ 4,047 | \$ 22,750 | \$ - | \$ 89,189 |
| LENA | \$ 47,342 | \$ 34,125 | \$ - | \$ - | \$ 40,258 |
| LINN J4 | \$ 7,866 | \$ 168 | \$ - | \$ - | \$ - |
| LINN J6 | \$ 7,482 | \$ 641 | \$ - | \$ - | \$ - |
| LITTLE CHUTE AREA | \$ 1,871 | \$ 69,457 | \$ - | \$ - | \$ - |
| LODI | \$ 148,547 | \$ 60,397 | \$ - | \$ - | \$ - |
| LOMIRA | \$ 115,097 | \$ 36,105 | \$ - | \$ - | \$ 64,608 |
| LOYAL | \$ 63,108 | \$ 1,922 | \$ 33,000 | \$ - | \$ 23,990 |
| LUCK | \$ 45,035 | \$ 20,535 | \$ 23,500 | \$ - | \$ 52,638 |
| LUXEMBURG-CASCO | \$ 253,507 | \$ 67,960 | \$ - | \$ - | \$ - |
| MADISON METROPOLITAN | \$ 455,335 | \$ 2,625,739 | \$ 1,269,000 | \$ 2,010,556 | \$ 228,207 |
| MANAWA | \$ 72,109 | \$ 31,810 | \$ 27,500 | \$ - | \$ 133,200 |
| MANITOWOC | \$ 161,074 | \$ 222,642 | \$ 40,250 | \$ 164,971 | \$ 199,800 |
| MAPLE | \$ 216,153 | \$ 44,356 | \$ - | \$ - | \$ 38,223 |
| MAPLE DALE-INDIAN HILL | \$ 23,169 | \$ 30,783 | \$ - | \$ - | \$ 347,825 |
| MARATHON CITY | \$ 81,938 | \$ 2,922 | \$ - | \$ - | \$ 15,328 |
| MARINETTE | \$ 105,775 | \$ 120,589 | \$ 131,500 | \$ - | \$ 222,000 |

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|------------------------|--|---|--------------------------------|---|--|
| MARION | \$ 61,767 | \$ 16,667 | \$ 38,500 | \$ - | \$ - |
| MARKESAN | \$ 118,024 | \$ 28,181 | \$ - | \$ - | \$ 246,342 |
| MARSHALL | \$ 59,288 | \$ 73,857 | \$ 31,000 | \$ 25,453 | \$ - |
| MARSHFIELD | \$ 287,375 | \$ 210,838 | \$ 20,000 | \$ - | \$ - |
| MAUSTON | \$ 189,376 | \$ 66,193 | \$ 84,000 | \$ - | \$ 130,691 |
| MAYVILLE | \$ 66,877 | \$ 59,776 | \$ - | \$ - | \$ 187,910 |
| MCFARLAND | \$ 44,004 | \$ 88,110 | \$ - | \$ - | \$ - |
| MEDFORD AREA | \$ 226,497 | \$ 99,185 | \$ - | \$ - | \$ 346,805 |
| MELLEN | \$ 21,002 | \$ 18,221 | \$ 20,500 | \$ - | \$ 72,080 |
| MELROSE-MINDORO | \$ 98,886 | \$ 31,925 | \$ - | \$ - | \$ 95,496 |
| MENASHA | \$ 148,042 | \$ 183,685 | \$ 141,750 | \$ 173,324 | \$ 23,842 |
| MENOMINEE INDIAN | \$ 122,444 | \$ 57,403 | \$ 101,000 | \$ - | \$ 172,772 |
| MENOMONEE FALLS | \$ 238,856 | \$ 225,301 | \$ - | \$ - | \$ - |
| MENOMONIE AREA | \$ 276,570 | \$ 153,905 | \$ 79,000 | \$ 72,419 | \$ 143,896 |
| MEQUON-THIENSVILLE | \$ 321,017 | \$ 236,532 | \$ - | \$ - | \$ - |
| MERCER | \$ 16,306 | \$ 6,689 | \$ 6,800 | \$ - | \$ 51,805 |
| MERRILL AREA | \$ 311,857 | \$ 138,173 | \$ 122,500 | \$ - | \$ 205,938 |
| MERTON J9 | \$ 62,691 | \$ 8,616 | \$ - | \$ - | \$ - |
| MIDDLETON-CROSS PLAINS | \$ 374,212 | \$ 339,414 | \$ - | \$ - | \$ - |
| MILTON | \$ 205,915 | \$ 125,657 | \$ - | \$ - | \$ - |
| MILWAUKEE | \$ 7,343,058 | \$ 6,065,699 | \$ 7,866,000 | \$ 4,636,209 | \$ - |
| MINERAL POINT | \$ 51,635 | \$ 38,809 | \$ - | \$ - | \$ 114,928 |
| MINOCQUA J1 | \$ 91,236 | \$ 23,802 | \$ 44,000 | \$ - | \$ 22,427 |
| MISHICOT | \$ 171,621 | \$ 42,938 | \$ - | \$ - | \$ 59,200 |
| MONDOVI | \$ 103,737 | \$ 317 | \$ 39,000 | \$ - | \$ 15,166 |
| MONONA GROVE | \$ 203,263 | \$ 140,500 | \$ - | \$ - | \$ - |
| MONROE | \$ 128,736 | \$ 194,465 | \$ - | \$ - | \$ 370,512 |
| MONTELLO | \$ 106,462 | \$ 21,468 | \$ 43,500 | \$ - | \$ 59,200 |
| MONTICELLO | \$ 20,558 | \$ 15,107 | \$ - | \$ - | \$ 8,100 |
| MOSINEE | \$ 201,825 | \$ 99,835 | \$ - | \$ - | \$ - |
| MOUNT HOREB AREA | \$ 149,406 | \$ 74,081 | \$ - | \$ - | \$ - |
| MUKWONAGO | \$ 467,784 | \$ 250,884 | \$ - | \$ - | \$ - |
| MUSKEGO-NORWAY | \$ 449,217 | \$ 245,627 | \$ - | \$ - | \$ - |
| NECEDAH AREA | \$ 87,582 | \$ 21,623 | \$ 63,000 | \$ - | \$ - |
| NEENAH | \$ 369,285 | \$ 318,956 | \$ - | \$ 44,742 | \$ - |
| NEILLSVILLE | \$ 96,730 | \$ 191 | \$ 52,500 | \$ - | \$ 222,427 |
| NEKOOSA | \$ 162,482 | \$ 57,712 | \$ 66,500 | \$ - | \$ 97,086 |
| NEOSHO J3 | \$ 15,247 | \$ 10,291 | \$ - | \$ - | \$ 16,644 |
| NEW AUBURN | \$ 30,881 | \$ 1,516 | \$ 19,500 | \$ - | \$ 50,002 |
| NEW BERLIN | \$ 328,042 | \$ 273,063 | \$ - | \$ - | \$ - |
| NEW GLARUS | \$ 42,362 | \$ 45,154 | \$ - | \$ - | \$ - |
| NEW HOLSTEIN | \$ 198,645 | \$ 17,006 | \$ 31,000 | \$ - | \$ 127,206 |
| NEW LISBON | \$ 64,972 | \$ 20,440 | \$ 47,500 | \$ - | \$ 47,417 |
| NEW LONDON | \$ 213,264 | \$ 88,611 | \$ - | \$ 37,997 | \$ 14,845 |

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|------------------------|-------------------------------------|--|------------------------|--|---|
| NEW RICHMOND | \$ 191,182 | \$ 107,095 | \$ - | \$ - | \$ - |
| NIAGARA | \$ 36,533 | \$ 29,093 | \$ 24,500 | \$ - | \$ 142,819 |
| NICOLET UHS | \$ 132,577 | \$ 74,306 | \$ - | \$ - | \$ - |
| NORRIS | \$ - | \$ 7,962 | \$ - | \$ - | \$ 37,000 |
| NORTH CAPE | \$ 17,168 | \$ - | \$ - | \$ - | \$ - |
| NORTH CRAWFORD | \$ 77,217 | \$ 24,068 | \$ 26,000 | \$ - | \$ 188,915 |
| NORTH FOND DU LAC | \$ 45,162 | \$ 39,368 | \$ - | \$ - | \$ 7,400 |
| NORTH LAKE | \$ 36,466 | \$ - | \$ - | \$ - | \$ 92,610 |
| NORTHERN OZAUKEE | \$ 56,394 | \$ 41,904 | \$ - | \$ - | \$ 17,192 |
| NORTHLAND PINES | \$ 224,310 | \$ 74,392 | \$ 47,000 | \$ - | \$ 120,477 |
| NORTHWOOD | \$ 71,102 | \$ 20,093 | \$ 29,100 | \$ - | \$ - |
| NORWALK-ONTARIO-WILTON | \$ 96,585 | \$ 21,786 | \$ 43,500 | \$ - | \$ - |
| NORWAY J7 | \$ 15,264 | \$ - | \$ 7,000 | \$ - | \$ - |
| OAK CREEK-FRANKLIN | \$ 324,850 | \$ 231,343 | \$ - | \$ - | \$ - |
| OAKFIELD | \$ 54,749 | \$ 16,891 | \$ - | \$ - | \$ 87,958 |
| OCONOMOWOC AREA | \$ 364,280 | \$ 201,247 | \$ - | \$ - | \$ - |
| OCONTO | \$ 76,935 | \$ 51,847 | \$ 47,000 | \$ - | \$ 59,200 |
| OCONTO FALLS | \$ 242,398 | \$ 71,798 | \$ 75,000 | \$ - | \$ - |
| OMRO | \$ 82,641 | \$ 63,949 | \$ - | \$ - | \$ - |
| ONALASKA | \$ 107,445 | \$ 97,817 | \$ - | \$ 23,743 | \$ 61,445 |
| OOSTBURG | \$ 79,554 | \$ 28,724 | \$ - | \$ - | \$ 14,800 |
| OREGON | \$ 213,770 | \$ 194,647 | \$ - | \$ - | \$ - |
| OSCEOLA | \$ 210,873 | \$ 60,116 | \$ - | \$ - | \$ - |
| OSHKOSH AREA | \$ 319,558 | \$ 628,230 | \$ 215,500 | \$ 319,975 | \$ - |
| OSSEO-FAIRCHILD | \$ 106,135 | \$ 1,082 | \$ 56,000 | \$ - | \$ 15,903 |
| OWEN-WITHEE | \$ 50,867 | \$ 337 | \$ 35,500 | \$ - | \$ - |
| PALMYRA-EAGLE AREA | \$ 79,003 | \$ 63,891 | \$ - | \$ - | \$ - |
| PARDEEVILLE AREA | \$ 63,551 | \$ 21,154 | \$ - | \$ - | \$ 81,400 |
| PARIS J1 | \$ 22,085 | \$ 4,210 | \$ - | \$ - | \$ - |
| PARK FALLS | \$ 63,952 | \$ 32,838 | \$ - | \$ - | \$ 259,000 |
| PARKVIEW | \$ 71,240 | \$ 59,782 | \$ - | \$ - | \$ - |
| PECATONICA AREA | \$ 53,189 | \$ 25,182 | \$ 8,000 | \$ - | \$ 39,284 |
| PEPIN AREA | \$ 42,831 | \$ 13,268 | \$ 10,500 | \$ - | \$ 17,815 |
| PESHTIGO | \$ 64,738 | \$ 53,432 | \$ 51,500 | \$ - | \$ - |
| PEWAUKEE | \$ 117,937 | \$ 114,215 | \$ - | \$ - | \$ - |
| PHELPS | \$ 14,304 | \$ 7,737 | \$ 7,000 | \$ - | \$ 59,855 |
| PHILLIPS | \$ 119,105 | \$ 33,341 | \$ 57,500 | \$ - | \$ 207,200 |
| PITTSVILLE | \$ 90,962 | \$ 30,834 | \$ 38,500 | \$ - | \$ 59,200 |
| PLATTEVILLE | \$ 82,335 | \$ 87,905 | \$ - | \$ - | \$ 212,598 |
| PLUM CITY | \$ 48,137 | \$ 13,330 | \$ 13,000 | \$ - | \$ - |
| PLYMOUTH | \$ 135,845 | \$ 119,159 | \$ - | \$ - | \$ 44,400 |
| PORT EDWARDS | \$ 26,249 | \$ 11,610 | \$ 31,000 | \$ - | \$ 27,243 |
| PORT WASH-SAUKVILLE | \$ 113,593 | \$ 129,834 | \$ - | \$ - | \$ 51,731 |
| PORTAGE COMMUNITY | \$ 157,975 | \$ 113,275 | \$ 93,500 | \$ - | \$ - |

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|-----------------------|-------------------------------------|--|------------------------|--|---|
| POTOSI | \$ 45,714 | \$ 18,314 | \$ 11,000 | \$ - | \$ 83,905 |
| POYNETTE | \$ 56,984 | \$ 37,217 | \$ - | \$ - | \$ 15,600 |
| PRAIRIE DU CHIEN AREA | \$ 77,446 | \$ 51,520 | \$ 74,500 | \$ - | \$ - |
| PRAIRIE FARM | \$ 38,501 | \$ 7,507 | \$ 17,500 | \$ - | \$ 56,069 |
| PRENTICE | \$ 85,967 | \$ 24,878 | \$ 28,000 | \$ - | \$ 143,243 |
| PRESCOTT | \$ 106,160 | \$ 61,752 | \$ 21,500 | \$ - | \$ 38,184 |
| PRINCETON | \$ 27,580 | \$ 14,864 | \$ 16,500 | \$ - | \$ 103,600 |
| PULASKI COMMUNITY | \$ 510,323 | \$ 159,936 | \$ 47,000 | \$ - | \$ - |
| RACINE | \$ 980,990 | \$ 1,690,646 | \$ 320,000 | \$ 614,984 | \$ - |
| RANDALL J1 | \$ 64,693 | \$ 16,431 | \$ - | \$ - | \$ - |
| RANDOLPH | \$ 26,577 | \$ 15,241 | \$ 26,500 | \$ - | \$ - |
| RANDOM LAKE | \$ 117,182 | \$ 54,608 | \$ 15,300 | \$ - | \$ 155,026 |
| RAYMOND #14 | \$ 37,888 | \$ - | \$ - | \$ - | \$ - |
| REEDSBURG | \$ 223,722 | \$ 103,740 | \$ 98,000 | \$ - | \$ 14,842 |
| REEDSVILLE | \$ 130,069 | \$ 29,584 | \$ - | \$ - | \$ 46,679 |
| RHINELANDER | \$ 237,070 | \$ 148,003 | \$ 149,000 | \$ - | \$ 452,143 |
| RIB LAKE | \$ 64,431 | \$ 18,327 | \$ 21,000 | \$ - | \$ 96,200 |
| RICE LAKE AREA | \$ 229,772 | \$ 137,954 | \$ - | \$ - | \$ 172,831 |
| RICHFIELD J 1 | \$ 60,265 | \$ 24,970 | \$ - | \$ - | \$ - |
| RICHLAND | \$ 161,478 | \$ 93,058 | \$ 73,000 | \$ - | \$ 206,418 |
| RICHMOND | \$ 25,234 | \$ - | \$ - | \$ - | \$ - |
| RIO COMMUNITY | \$ 40,692 | \$ 21,046 | \$ - | \$ - | \$ 8,008 |
| RIPON | \$ 82,389 | \$ 49,549 | \$ - | \$ - | \$ - |
| RIVER FALLS | \$ 258,711 | \$ 134,976 | \$ 57,000 | \$ - | \$ - |
| RIVER RIDGE | \$ 99,222 | \$ 21,330 | \$ - | \$ - | \$ 182,996 |
| RIVER VALLEY | \$ 169,905 | \$ 100,941 | \$ 42,500 | \$ - | \$ 224,902 |
| RIVERDALE | \$ 94,345 | \$ 40,593 | \$ 54,000 | \$ - | \$ 100,725 |
| ROSENDALE-BRANDON | \$ 95,822 | \$ 28,948 | \$ - | \$ - | \$ 7,962 |
| ROSHOLT | \$ 104,186 | \$ 593 | \$ - | \$ - | \$ 84,613 |
| ROYALL | \$ 44,160 | \$ 28,085 | \$ 29,000 | \$ - | \$ 147,172 |
| RUBICON J6 | \$ 8,260 | \$ 2,162 | \$ - | \$ - | \$ - |
| SAINT CROIX CENTRAL | \$ 96,054 | \$ 50,928 | \$ - | \$ - | \$ - |
| SAINT CROIX FALLS | \$ 90,166 | \$ 38,400 | \$ 36,000 | \$ - | \$ - |
| SAINT FRANCIS | \$ 1,367 | \$ 71,079 | \$ - | \$ - | \$ 278,742 |
| SALEM J2 | \$ 95,526 | \$ 51,020 | \$ - | \$ - | \$ - |
| SAUK PRAIRIE | \$ 209,776 | \$ 108,554 | \$ 72,000 | \$ 32,185 | \$ - |
| SENECA | \$ 41,234 | \$ 10,954 | \$ 13,000 | \$ - | \$ 85,541 |
| SEVASTOPOL | \$ 80,563 | \$ 26,572 | \$ - | \$ - | \$ 46,882 |
| SEYMOUR COMMUNITY | \$ 210,622 | \$ 77,701 | \$ - | \$ - | \$ - |
| SHARON J11 | \$ 3,260 | \$ 1,479 | \$ - | \$ - | \$ 17,034 |
| SHAWANO-GRESHAM | \$ 215,513 | \$ 161,004 | \$ 134,500 | \$ - | \$ 44,400 |
| SHEBOYGAN AREA | \$ 234,817 | \$ 589,279 | \$ 212,000 | \$ 1,054,828 | \$ - |
| SHEBOYGAN FALLS | \$ 106,445 | \$ 90,657 | \$ 36,500 | \$ - | \$ 30,036 |
| SHELL LAKE | \$ 59,455 | \$ 22,213 | \$ 42,500 | \$ - | \$ - |

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|----------------------------|--|---|--------------------------------|---|--|
| SHIOCTON | \$ 78,199 | \$ 30,145 | \$ - | \$ - | \$ - |
| SHOREWOOD | \$ 16,369 | \$ 87,196 | \$ - | \$ 43,994 | \$ 205,249 |
| SHULLSBURG | \$ 18,114 | \$ 20,152 | \$ 17,000 | \$ - | \$ 90,474 |
| SILVER LAKE J1 | \$ 25,664 | \$ 17,533 | \$ - | \$ - | \$ - |
| SIREN | \$ 51,726 | \$ 23,418 | \$ 38,500 | \$ - | \$ 16,730 |
| SLINGER | \$ 281,175 | \$ 105,738 | \$ - | \$ - | \$ - |
| OLON SPRINGS | \$ 33,009 | \$ 25,762 | \$ 20,500 | \$ - | \$ 70,984 |
| SOMERSET | \$ 144,363 | \$ 48,407 | \$ 21,000 | \$ - | \$ - |
| SOUTH MILWAUKEE | \$ - | \$ 167,663 | \$ 60,750 | \$ - | \$ - |
| SOUTH SHORE | \$ 45,731 | \$ 20,049 | \$ 13,500 | \$ - | \$ 51,884 |
| SOUTHERN DOOR | \$ 217,880 | \$ 68,505 | \$ 37,250 | \$ - | \$ 46,591 |
| SOUTHWESTERN WISCONSIN | \$ 72,266 | \$ 29,411 | \$ 12,000 | \$ - | \$ 40,569 |
| SPARTA AREA | \$ 216,666 | \$ 107,548 | \$ 136,000 | \$ - | \$ 244,200 |
| SPENCER | \$ 59,288 | \$ 1,295 | \$ - | \$ - | \$ 148,108 |
| SPOONER | \$ 178,776 | \$ 81,073 | \$ 85,500 | \$ - | \$ 334,771 |
| SPRING VALLEY | \$ 74,103 | \$ 25,372 | \$ 19,500 | \$ - | \$ - |
| STANLEY-BOYD AREA | \$ 87,200 | \$ 1,091 | \$ 60,500 | \$ - | \$ 103,600 |
| STEVENS POINT AREA | \$ 616,502 | \$ 419,677 | \$ 100,000 | \$ 168,265 | \$ 561,334 |
| STOCKBRIDGE | \$ 11,978 | \$ 657 | \$ 6,500 | \$ - | \$ - |
| STONE BANK SCHOOL DISTRICT | \$ 20,196 | \$ - | \$ - | \$ - | \$ 37,262 |
| STOUGHTON AREA | \$ 166,991 | \$ 196,837 | \$ - | \$ - | \$ 84,399 |
| STRATFORD | \$ 81,492 | \$ 16,866 | \$ 25,000 | \$ - | \$ - |
| STURGEON BAY | \$ 40,208 | \$ 67,055 | \$ 45,500 | \$ - | \$ 222,194 |
| SUN PRAIRIE AREA | \$ 176,248 | \$ 316,026 | \$ 95,500 | \$ 12,304 | \$ - |
| SUPERIOR | \$ 273,065 | \$ 271,024 | \$ 313,500 | \$ - | \$ 466,200 |
| SURING | \$ 83,388 | \$ 11,179 | \$ 25,300 | \$ - | \$ 162,671 |
| SWALLOW SCHOOL DISTRICT | \$ 12,872 | \$ 1,327 | \$ - | \$ - | \$ - |
| THORP | \$ 62,580 | \$ 933 | \$ 30,000 | \$ - | \$ 47,034 |
| THREE LAKES | \$ 102,385 | \$ 39,972 | \$ 19,000 | \$ - | \$ 170,434 |
| TIGERTON | \$ 28,318 | \$ 17,856 | \$ 24,000 | \$ - | \$ - |
| TOMAH AREA | \$ 317,708 | \$ 118,511 | \$ - | \$ - | \$ 273,800 |
| TOMAHAWK | \$ 129,356 | \$ 65,039 | \$ 67,500 | \$ - | \$ 154,296 |
| TOMORROW RIVER | \$ 86,906 | \$ 29,701 | \$ - | \$ - | \$ 44,400 |
| TREVOR GRADE SCHOOL | \$ 13,779 | \$ 18,029 | \$ 14,750 | \$ - | \$ - |
| TRI-COUNTY AREA | \$ 85,343 | \$ 30,184 | \$ 62,500 | \$ - | \$ 47,273 |
| TURTLE LAKE | \$ 66,522 | \$ 19,113 | \$ 30,000 | \$ - | \$ 177,158 |
| TWIN LAKES #4 | \$ 16,427 | \$ 14,285 | \$ - | \$ - | \$ - |
| TWO RIVERS | \$ 169,812 | \$ 106,175 | \$ 41,500 | \$ 25,236 | \$ 188,245 |
| UNION GROVE J1 | \$ 14,650 | \$ - | \$ - | \$ - | \$ - |
| UNION GROVE UHS | \$ 58,984 | \$ - | \$ - | \$ - | \$ - |
| UNITY | \$ 156,466 | \$ 45,637 | \$ 74,000 | \$ - | \$ 173,636 |

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|---------------------|--|---|--------------------------------|---|--|
| VALDERS | \$ 156,658 | \$ 46,057 | \$ - | \$ - | \$ 41,925 |
| VERONA AREA | \$ 263,003 | \$ 271,724 | \$ 138,000 | \$ - | \$ - |
| VIROQUA AREA | \$ 85,365 | \$ 75,102 | \$ 53,000 | \$ - | \$ 101,120 |
| WABENO AREA | \$ 82,096 | \$ 12,829 | \$ - | \$ - | \$ 47,164 |
| WALWORTH J1 | \$ 17,659 | \$ 493 | \$ - | \$ 9,904 | \$ - |
| WASHBURN | \$ 41,120 | \$ 32,685 | \$ 24,500 | \$ - | \$ 126,954 |
| WASHINGTON | \$ 10,047 | \$ 5,722 | \$ - | \$ - | \$ 45,866 |
| WASHINGTON-CALDWELL | \$ 14,233 | \$ - | \$ - | \$ - | \$ - |
| WATERFORD J1 (V) | \$ 91,032 | \$ 2,892 | \$ - | \$ - | \$ - |
| WATERFORD UHS | \$ 88,150 | \$ 242 | \$ - | \$ - | \$ - |
| WATERLOO | \$ 63,858 | \$ 57,510 | \$ - | \$ - | \$ 8,507 |
| WATERTOWN | \$ 175,250 | \$ 223,573 | \$ 44,000 | \$ - | \$ 31,851 |
| WAUKESHA | \$ 754,062 | \$ 828,352 | \$ 143,000 | \$ 593,177 | \$ - |
| WAUNAKEE COMMUNITY | \$ 162,818 | \$ 142,981 | \$ - | \$ - | \$ - |
| WAUPACA | \$ 332,322 | \$ 98,174 | \$ 96,500 | \$ - | \$ 88,800 |
| WAUPUN | \$ 140,180 | \$ 112,573 | \$ 71,000 | \$ - | \$ 240,553 |
| WAUSAU | \$ 481,608 | \$ 480,554 | \$ 360,250 | \$ 928,840 | \$ 714,156 |
| WAUSAUKEE | \$ 107,557 | \$ 22,981 | \$ 39,500 | \$ - | \$ 136,634 |
| WAUTOMA AREA | \$ 153,527 | \$ 35,542 | \$ 118,000 | \$ 26,343 | \$ 103,600 |
| WAUWATOSA | \$ - | \$ 348,479 | \$ - | \$ - | \$ 318,955 |
| WAUZEKA-STEUBEN | \$ 27,413 | \$ 7,768 | \$ 24,000 | \$ - | \$ 68,825 |
| WEBSTER | \$ 100,743 | \$ 40,256 | \$ 56,000 | \$ - | \$ - |
| WEST ALLIS | \$ 140,810 | \$ 449,965 | \$ 193,500 | \$ - | \$ 345,492 |
| WEST BEND | \$ 464,073 | \$ 298,754 | \$ - | \$ - | \$ - |
| WEST DEPERE | \$ 159,219 | \$ 68,186 | \$ - | \$ - | \$ - |
| WEST SALEM | \$ 157,717 | \$ 77,066 | \$ - | \$ - | \$ - |
| WESTBY AREA | \$ 119,272 | \$ 42,057 | \$ 42,500 | \$ - | \$ 31,342 |
| WESTFIELD | \$ 162,767 | \$ 46,054 | \$ 87,000 | \$ - | \$ 81,400 |
| WESTON | \$ 37,666 | \$ 13,186 | \$ 12,500 | \$ - | \$ 90,285 |
| WEYAUWEGA-FREMONT | \$ 93,328 | \$ 58,277 | \$ 25,500 | \$ - | \$ - |
| WEYERHAEUSER AREA | \$ 28,265 | \$ - | \$ - | \$ - | \$ 84,358 |
| WHEATLAND J1 | \$ 51,831 | \$ 15,584 | \$ 25,000 | \$ - | \$ 39,217 |
| WHITE LAKE | \$ 23,283 | \$ 9,533 | \$ 19,500 | \$ - | \$ - |
| WHITEFISH BAY | \$ 7,408 | \$ 103,566 | \$ - | \$ - | \$ - |
| WHITEHALL | \$ 70,822 | \$ 27,494 | \$ 36,000 | \$ - | \$ 32,457 |
| WHITEWATER | \$ 218,211 | \$ 19,767 | \$ 41,500 | \$ 19,898 | \$ 15,363 |
| WHITNALL | \$ 116,770 | \$ 109,218 | \$ - | \$ 16,334 | \$ - |
| WILD ROSE | \$ 71,294 | \$ 17,202 | \$ 28,000 | \$ - | \$ 29,600 |
| WILLIAMS BAY | \$ 18,298 | \$ 6,162 | \$ - | \$ - | \$ 59,799 |
| WILMOT GRADE SCHOOL | \$ 9,464 | \$ 5,428 | \$ - | \$ - | \$ - |
| WILMOT UHS | \$ 133,525 | \$ 43,442 | \$ - | \$ - | \$ 17,742 |

| District | Additional Transportation Aid | Additional Special Education Aid | Additional SAGE Aid | Additional Bilingual- Bicultural Aid | Additional Declining Enrollment Revenue Limit Authority |
|-----------------------|--|---|--------------------------------|---|--|
| WINNECONNE COMMUNITY | \$ 154,490 | \$ 62,646 | \$ - | \$ - | \$ 229,400 |
| WINTER | \$ 46,903 | \$ 29,598 | \$ 28,000 | \$ - | \$ - |
| WISCONSIN DELLS | \$ 173,987 | \$ 74,598 | \$ 93,750 | \$ - | \$ 105,680 |
| WISCONSIN HEIGHTS | \$ 93,154 | \$ 63,852 | \$ - | \$ - | \$ 241,173 |
| WISCONSIN RAPIDS | \$ 498,393 | \$ 288,411 | \$ 256,000 | \$ 227,443 | \$ 568,344 |
| WITTENBERG-BIRNAMWOOD | \$ 170,320 | \$ 69,468 | \$ - | \$ - | \$ 96,433 |
| WONEWOC-UNION CENTER | \$ 59,689 | \$ 13,988 | \$ 14,000 | \$ - | \$ 77,189 |
| WOODRUFF J1 | \$ 51,320 | \$ 49,594 | \$ 29,500 | \$ - | \$ 90,786 |
| WRIGHTSTOWN COMMUNITY | \$ 103,457 | \$ 30,308 | \$ - | \$ - | \$ - |
| YORKVILLE J2 | \$ 34,494 | \$ - | \$ - | \$ - | \$ - |

End Notes

Section 1

¹ *Vincent v. Voight*, 2000 WI 93, ¶ 87, 236 Wis. 2d 588, 641, 614 N.W.2d 388 415 (2000).

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³ Day, Jennifer and Eric Newburger, "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings," US Census Bureau, 2002, p.3.

⁴ Finn, Gerber, Achilles, Boyd-Zaharias, "The Enduring Effects of Small Classes", *Teachers College Record*, April 2001.

⁵ Mosteller, Frederick, "The Tennessee Study of Class Size in the Early School Grades", *The Future of Children*, Vol. 5 No. 2, Summer/Fall 1995.

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⁶ Molnar, Alex et al, "2000-2001 Evaluation Results of the Student Achievement Guarantee in Education (SAGE)," Arizona State University, 2001 http://www.asu.edu/educ/eps1/SAGE/annual_reports/2000-2001%20Evaluation/epru-0201-104-executive%20summary.pdf.

⁷ Bogenschneider and Johnson, "Family Involvement in Education: How Important is It? What Can Legislators Do?," *A Policymaker's Guide to School Finance: Approaches to Use and Questions to Ask*, University of Wisconsin – Madison, Spring 2004 <http://www.uwex.edu/ces/familyimpact/reports/fis20two.pdf>.

⁸ See for example Simpkins, S. "Does youth participation in out-of-school time activities make a difference?" *The Evaluation Exchange*, 2003, p. 21. www.gse.harvard.edu/hfrp/eval/issue21/theory.html.

⁹ See for example <http://www.jsonline.com/news/metro/may04/231173.asp>.

¹⁰ Department of Public Instruction, "Using Disaggregated Data to Compare State Test Performances of Districts with Dissimilar LEP Populations," January 2001. www.dpi.state.wi.us/dpi/oea/wsasarticl.html.

¹¹ Frazier, Julie, "Effects of Extended-Year Schooling on the Achievement of Low Socioeconomic Students in Elementary School", Purdue University, 1997.

¹² Ibid.

¹³ Knapp, Dale J., "Will School Districts Benefit from Staff Retirements?", Wisconsin Taxpayers Alliance, 2003, p. 1.

¹⁴ Swanger, Wayne H. and Fischer, Thomas A., *Supply and Demand 2002*, Wisconsin Department of Public Instruction, p. 53.

¹⁵ Nelson, Howard F., and Rachel Drown, *Survey and Analysis of Teacher Salary Trends 2002*, American Federation of Teachers, 2003, p. 8.

¹⁶ Odden, Allan, "School Finance and Teacher Compensation: State-level Initiatives," presentation to Task Force, December 11, 2003.

¹⁷ U.S. Census Bureau, "State and Local Government Finance: 1999-2000," 2000.

¹⁸ Theobald, Neil D., and Robert S. Michael, "Teacher Turnover in Illinois, Indiana, Minnesota, and Wisconsin: Who Stays, Moves, and Leaves," North Central Regional Education Laboratory, 2002, pp. 97-129.

¹⁹ See Joint Task Force on Teacher Compensation website at <http://www.denverteachercompensation.org/>

²⁰ Hare, Debra and James L. Heap, "Effective Teacher Recruitment and Retention Strategies in the Midwest: Who is Making Use of Them?", North Central Regional Education Laboratory, 2002, <http://www.ncrel.org/policy/pubs/html/strategy/conclude.htm>.

²¹ Ingersoll, Richard and Kralik, Jeffrey M., "The Impact of Mentoring on Teacher Retention: What the Research Says," Education Commission of the States, 2004, pp.14-15.

²² Ibid.

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²⁴ Institute of Medicine, *From Neurons to Neighborhoods: The Science of Early Childhood Development*, 2000, Jacket Cover.

²⁵ Grunwald, Rob & Rolnick, Art, Federal Reserve Bank of Minneapolis, "Early Childhood Development: Economic Development with a High Public Return," 2003, p. 16.

²⁶ Ibid, p.10.

²⁷ Wicklund, Ann, Assistant Director of Special Education, Wausau School District.

²⁸ Wisconsin Department of Public Instruction, "DPI Fact Sheet", 2003.

²⁹ Annie E. Casey Foundation, Kids Count Data Book, 2003, page 13.

³⁰ Wisconsin and Oklahoma fund 4K through their state school funding formulas.

³¹ Department of Workforce Development, <http://www.dwd.state.wi.us/dws/programs/childcare/wishares/spfcs.htm>, June 29, 2004.

³² Department of Workforce Development, <http://www.dwd.state.wi.us/dws/programs/childcare/wishares/scbag.htm>, June 29, 2004.

³³ KidsFirst can be found online at: <http://www.wisgov.state.wi.us/docs/kidsfirst.pdf>.

Section 2

³⁴ U.S. Census Bureau, "State and Local Government Finance: 1999-2000," 2000.

³⁵ Hy, Ronald John and William L. Waugh Jr., State and Local Tax Policies: A Comparative Handbook, Greenwood Press, 1995, p. 48.

³⁶ Based on Department of Administration and Department of Revenue analysis. The amount of property tax relief enjoyed by individual property taxpayers will depend on the method chosen for allocating additional sales tax revenue to local units of government.

³⁷ Odden, Allan, "School Finance and Teacher Compensation: State-level Initiatives," presentation to Task Force, December 11, 2003.

³⁸ *Vincent v. Voight*, 2000 WI 93, ¶ 2, 236 Wis. 2d 588, 600, 614 N.W.2d 388 396 (2000).

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Appendices

⁴⁰ Department of Revenue, "Summary of Tax Exemption Devices," February 2003.

⁴¹ Prepared by the State Budget Office, Department of Administration, May 2004.

⁴² Prepared by the Department of Public Instruction, June 2004.